

# The NATIONAL UNDERWRITER

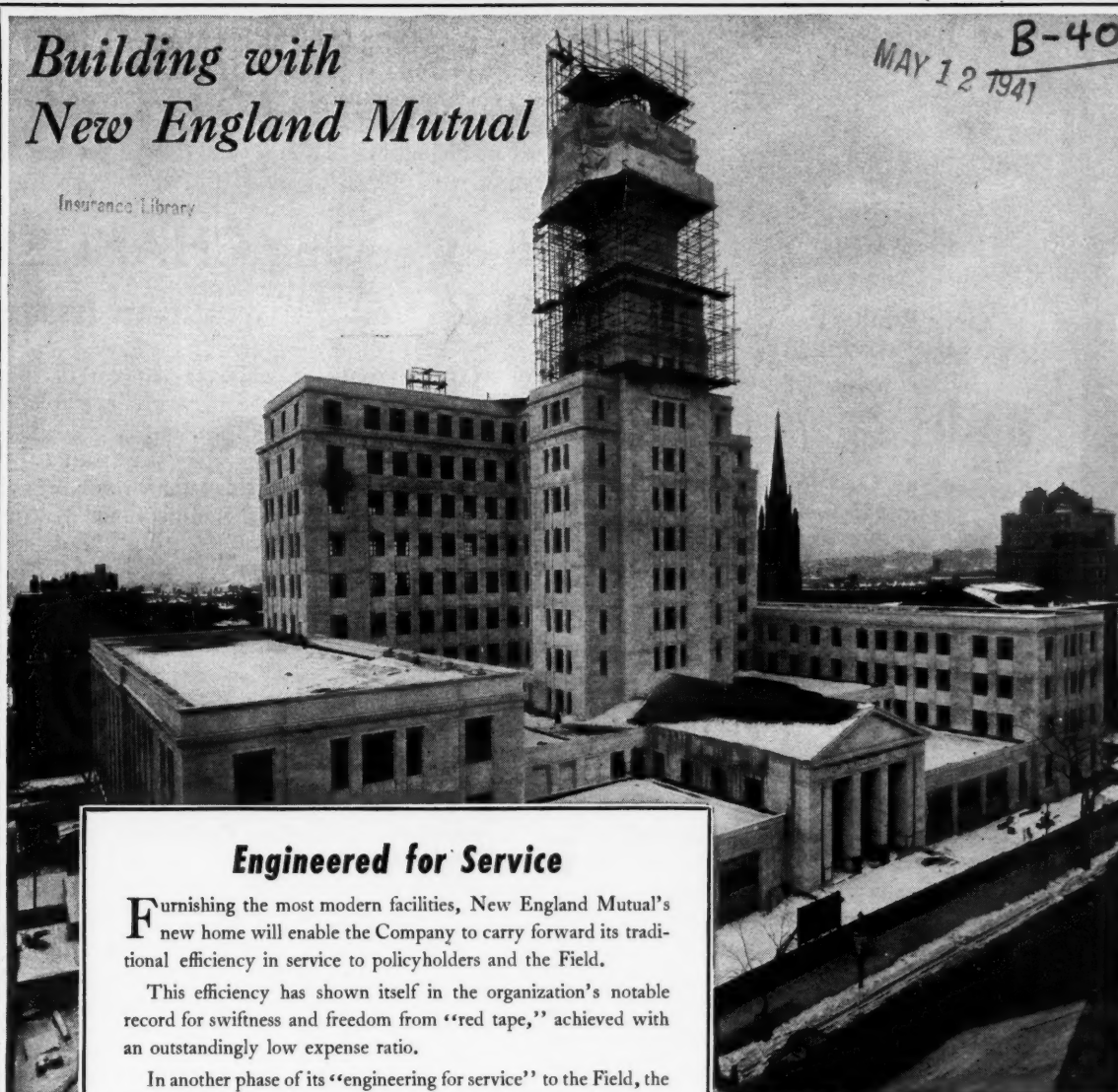
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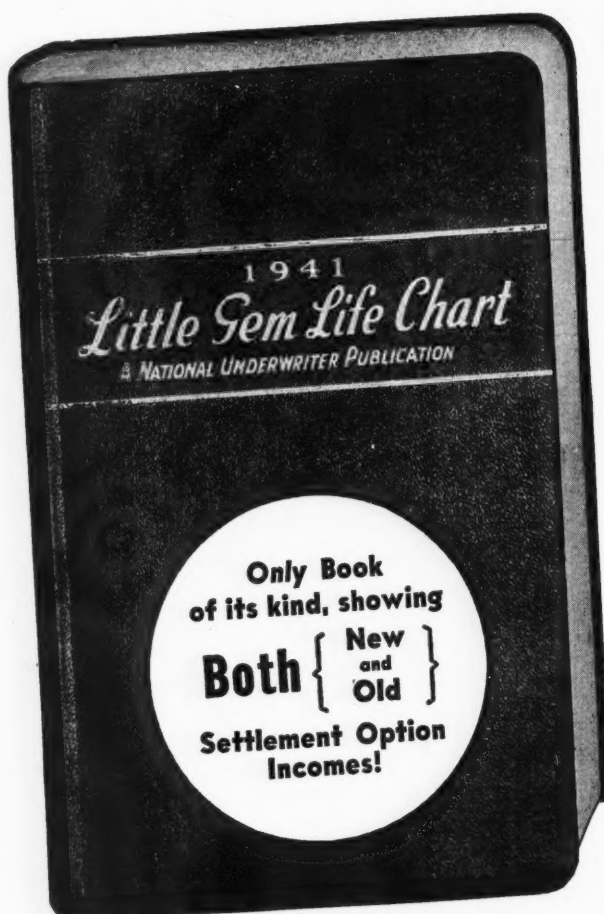
This photograph shows the progress of construction, as of February, 1941, of New England Mutual's new Home Office building, which will be completed later this year.

## NEW ENGLAND MUTUAL Life Insurance Company of BOSTON

GEORGE WILLARD SMITH, President

★ FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA ★

FRIDAY, MAY 9, 1941



## Be Well Prepared in 1941

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### Sweeping CHANGES

#### Make New Information Essential

Important changes in rates, reserves, dividends, etc., have already been announced or are contemplated shortly by more than 50% of the companies—according to a questionnaire recently sent out by the American Life Convention. Among those reporting major changes are the Aetna, Connecticut General, Connecticut Mutual, Equitable Society, New England Mutual, New York Life, Northwestern Mutual, Phoenix Mutual, Prudential, Travelers, Union Central and many others. Consider what it means to risk misquoting data on companies such as these.

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# The NATIONAL UNDERWRITER

Forty-fifth Year—No. 19

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MAY 9, 1941

\$3.00 Year, 15 Cents a Copy

## Group Annuities in 1940 Exceeded Those of Any Other Year

**Aetna Life Actuary Tells Buyers of Differences from Plans of 1935**

NEW YORK—More group annuity plans were adopted during 1940 than in any previous year, F. P. Perkins, associate actuary of Aetna Life, told the insurance conference of the American Management Association, at its meeting here. The plans in force at the end of 1940 differ in many important respects from those of five years ago and there is little doubt that there will be numerous changes in group annuity plans in the next five years though it is not likely that they will be as radical as those that have occurred since 1935, he said. Main causes of these changes are the social security act coming into full operation and the sharp decline in interest earnings.

To discover trends that may now be taking place, Mr. Perkins made an analysis of group annuity plans adopted last year as compared with those adopted in 1938. The analysis covered a large majority of the total number of plans adopted in these years and he said it is doubtful if the inclusion of all plans would have materially changed the results. He made his comparison on the basis of eight major features. The analysis showed there are wide differences of opinion on many important points.

### Eight Points Listed

1. Normal retirement age. For men, age 65 is now well established as the normal retirement age and was used in about 98 percent of the plans adopted in 1940 and in 1938. For women age 65 is also the most common normal retirement age though about 10 percent of the plans adopted in 1940 provided a younger age, usually 60. This compares with about 20 percent in 1938 and a higher percentage in previous years. There appears to be a definite trend to follow the social security act in providing for retirement of both men and women at age 65. There is also a trend away from the formerly common practice of requiring some minimum period of service, such as 20 years, to qualify for a pension. It is now almost nonexistent in plans being adopted.

2. Eligibility. At least a short time of service is almost always required before permitting employees to contribute to a plan. About 50 percent of the plans adopted in 1940 impose either a minimum age limitation or a minimum salary limitation as against 25 percent of the 1938 plans. The \$3,000 salary requirement which is found in an appreciable percentage of the plans is necessarily restricted to the larger companies since a small company would not have

(CONTINUED ON PAGE 18)

## Ecker Finds Many Cheerful Life Insurance Eyes on Four Federal Tax Proposals

NEW YORK—Investments made in 1941 in United States government securities should show a better yield than for 1940, while if the slight advance in interest rates generally which has taken place since the first of the year continues it should stop for the most part the refinancing at lower rates of investments now owned, Chairman F. H. Ecker of Metropolitan Life predicted at the company's managers' conference here. Mr. Ecker made the qualification however that any forecast as to interest trends is at best a guess. He also pointed out that interest on new investments must increase substantially before it equals the rate now being earned on the company's portfolio, since the latter includes many investments made at higher than current rates.

It is interesting to note, he said, that of Metropolitan's increase in admitted assets in the decade 1920-1930, about 37 percent was accounted for by bonds and stocks, but these classes of securities represented almost 90 per cent of the gain in admitted assets for the decade 1930-40. This gain in the bond and stock account for the last 10-year period was \$1,841,000,000. Before book adjustments the increase was \$2,000,000,000 and represented a total of some \$4,000,000,000 invested, so that it can be said that \$2 had to be invested in bonds and stocks for each \$1 gain.

### Drop in Interest Earnings

Pointing out that the declining yield on money invested in bonds and stocks is a reflection of the general trend of interest rates, Mr. Ecker said that the average for 120 of Metropolitan's highest rated bonds showed a 2.89 percent yield at the beginning of 1940 and 2.73 percent at the end of the year. Long-term investments, other than governments, were made at an average yield of .32 percent below the year 1939.

What Metropolitan insurance protection meant to policyholders or their beneficiaries last year can best be demonstrated by the payments which the company made, said Mr. Ecker. Death claims were almost \$176,000,000, an increase of \$5,000,000. The increase, he pointed out, merely reflected the larger volume of business, for the mortality rates were about the same as in 1939.

### Big Jump in Endowments

Matured endowments were almost \$112,000,000, an increase of \$18,000,000, largely due to the increased volume of endowment business written in 1920 as compared with 1919, especially in the industrial department.

Disability claims accounted for close to \$11,000,000, an increase of \$400,000. Accident and health claims were a little more than \$15,000,000, an increase of \$4,000,000, the increase reflecting merely the larger volume of accident and health business.

Annuity payments accounted for \$13,500,000, an increase of \$1,750,000, which again reflects volume of business. Surrender values were paid out in the amount of \$157,000,000, a decrease of \$20,000,000. Mr. Ecker said that it is gratifying to know that despite the Metropolitan's having begun last year to pay

surrender values on industrial policies after three years, the surrender rate in 1940 was better than in 1939. He congratulated the field force for its part in keeping surrenders at this low level.

### Dividends Nearly \$117,000,000

Dividends were almost \$117,000,000, a decrease of \$4,000,000, the decrease being due largely to the inclusion in the 1939 dividend payments and apportionment of about \$9,000,000 used toward a permanent increase of benefits for certain older industrial policies.

Allowance for direct payment of premiums was \$8,000,000, about the same as the previous year. The total of 1940 payments to policyholders and their beneficiaries amounted to nearly \$600,000,000, an increase of more than \$4,000,000 over 1939. Last year was the ninth successive year that the company has paid to policyholders and beneficiaries over half a billion dollars. In addition Metropolitan also paid out about \$5,000,000 for health and welfare work for policyholders and the public. Policyholders also were credited with almost \$9,000,000 as interest on policy proceeds left with the company.

### Lauds Persistency Record

Mr. Ecker expressed special gratification at the fine persistency record of 1940, saying that what might be called voluntary terminations—lapses, surrenders, and terminations other than by death or by maturity—was the lowest in proportion to insurance in force for the last 20 years. Conceding that the very low termination rate was probably chiefly due to improved business conditions, he said that the field force is certainly entitled to credit in this good

(CONTINUED ON PAGE 8)

## Life Counsel Program Is Given

At the spring meeting of the Association of Life Insurance Counsel at White Sulphur Springs, W. Va., May 26-27, papers will be read by:

Francis O. Affeld, III, assistant counsel Penn Mutual Life, on "Legal Aspects of Insurance Protection for Life Insurance Companies;" L. L. Bomberger, Hammond, Ind., "The Life Insurance Law of Indiana;" Willis Smith, home office counsel Occidental Life, "The Penalty Statutes."

There will be a round table discussion of aspects affecting life insurance companies of the soldiers and sailors civil relief act and of the selective service act led respectively by Sidney J. Hilton, attorney Life of Virginia, and Capt. Francis V. Keesling, Jr., counsel West Coast Life, now on active service with the national selective service system.

There will be also an informal discussion on a topic of current interest by W. Calvin Wells, vice-president and general counsel of Lamar Life.

The revived committee on uniform collateral assignment blanks will make a further report.

## N.A.L.U. Presents Views to Committee—Clinton Davidson Is Heard

The National Association of Life Underwriters appeared before the house ways & means committee, through its general counsel, Roger B. Hull, and special tax counsel, Lawrence A. Baker, of Washington, and urged two important phases of life insurance taxation on the committee framing the new defense revenue bill.

The first project was an amendment to Section 811 (g) of the internal revenue code which would clarify the basis upon which life insurance proceeds would be taxed under the federal estate tax law. Mr. Baker urged that the "incidents of ownership" test be substituted for the premium-paying test recently established by Treasury Decision 5032.

Mr. Baker, tracing the long and turbulent history of the clause which appeared first in the Revenue Act of 1918, through the varying rulings by the treasury department and confusing and perplexing court decisions such as those in the Bailey and Hallock cases, urged that "the government should recognize the existence of this confused situation and clarify its present basis of imposing the tax on life insurance proceeds. Remedial legislation of the character suggested will not only produce a fair result but will also serve the highly useful purpose of devaluing present methods of tax avoidance."

### Seek to Avoid Confusion

Mr. Baker said no new or additional exemptions are sought, the attempt being merely to avoid a long series of confusions and to give the insured an opportunity to arrange his insurance estate in an orderly manner, without loss of revenue to the government.

Mr. Baker's second argument related to the proposal which has been suggested to the ways & means committee, to reduce the life insurance exemption under the federal estate tax from \$40,000 to \$25,000.

Mr. Baker urged the committee to consider this proposal in conjunction with the proposed increases in income tax rates and not further to reduce the exemption at a time when the burdens of income taxation would make it almost impossible for a person of moderate means to create a fund for his own old age or for his dependents by other means than insurance.

Mr. Baker pointed out that \$40,000 of insurance in the case of a man of average age has a present cost of approximately \$100 a month; the proposed income tax rates as applied to an income of approximately \$10,000 would involve

(CONTINUED ON LAST PAGE)

## Construction Starts on Metropolitan California Projects

NEW YORK—Metropolitan Life's two housing projects in San Francisco and Los Angeles, on which work will begin within the week, will be completed within the next 16 months, Frederick H. Ecker, chairman of the board, told the company's managers at their annual convention. Some of the apartments in these projects will be ready for occupancy within a year.

The location in San Francisco consists of about 200 acres and adjoins the San Francisco State College, while the Los Angeles plot contains 173 acres. Unlike the company's Parkchester buildings in East Bronx, New York City, which range from seven to 14 stories, these projects will be two stories, each containing apartments ranging from three to six rooms. The Parkchester layout comfortably houses 40,000 persons and the new projects combined will house at the most 20,000.

### Latest Safety Designs Employed

Plans provide for covering only 18 percent of the ground area with buildings, thus affording private garden areas to apartments and large park and recreation areas. The latest ideas of safety engineering will be employed for the convenience of circulation and protection of both the vehicular passenger and pedestrian. Recreational sections for children, where they may play in safety, will be under the supervision of trained directors and will contain tennis courts, wading pools and space for other activities.

The buildings throughout will be entirely fireproof and, as nearly as it is possible to make them, earthquake-proof. The kitchens and service sections will be placed on the streets and the living rooms will face the garden. Kitchen equipment will be scientifically designed to minimize the labor of the housewife. These projects will be used entirely for dwelling purposes and, except when it may be found advisable to provide conveniently located stores for family supplies, no part of the development will be used strictly for commercial purposes.

### Will Stabilize Real Estate Values

Mr. Ecker feels the projects will be constructive forces in stabilizing increasing real estate values in both cities. They will deter the trend to residence outside the city limits. All subcontracts for both work and material will be let to local contractors.

He emphasized the fact that the income will be sufficient to realize a satisfactory return and to enable the amortization of the full cost of the construction. These factors are based upon careful survey and justify the conclusion that the undertakings when completed will constitute a sound and permanent investment for company funds. He pointed out that the company is still operating successfully the apartments constructed in Queens, New York, in 1925 as a demonstration of the feasibility of relieving the housing shortage that then existed in low rental housing.

### Big City Buyers Skittish

Although life insurance sales are ahead of last year countrywide and rural agents and agents in industrial centers report a large increase in sales, the picture is not as rosy in the larger cities like New York and Chicago. In most cases in the latter cities, agents are holding their own but dejectedly complain that they are not reaping in the kill.

These agents do brighten up, however, when they report that the lapse ratio situation is extremely healthy. People do not seem to be borrowing on their policies, yet they are hesitant about committing themselves on a long range program.

One large agency contacted 25 peo-



"He's analyzing himself—how he looks to clients."

## Merchant New Tex. Life Commissioner Reach Compromise on Conn. Bank Cover

AUSTIN, TEX.—Governor O'Daniel Monday appointed O. P. Lockhart life insurance commissioner and ex-officio chairman of the state insurance board to succeed the late Walter C. Woodward, following rejection by the senate of Reuben Williams. Mr. Lockhart is long time owner of a large Austin bakery, delicatessen shop and cafe. He is a member of the state Democratic executive committee.

If Mr. Lockhart's nomination is confirmed by the senate, he will serve the unexpired term of the late Walter Woodward. Following Mr. Woodward's death several months ago, Reuben Williams was appointed to the post, but he was twice rejected by the senate.

Mr. Lockhart, an original O'Daniel supporter, became a member from the Austin district of the state Democratic executive committee shortly after O'Daniel was elected governor. On the occasion of Mr. O'Daniel's second inauguration as governor, Mr. Lockhart headed the Austin committee that arranged the barbecue at the governor's mansion. Mr. Lockhart on May 3 conducted a group of university students to the mansion where they presented a 1,000-name petition that Governor O'Daniel run for the United States Senate to fill out the unexpired term of the late Morris Sheppard.

ple, whom the agency had found had substantial amounts in the bank and yet were not fully insured. When approached, 23 said they had no money to buy life insurance. They admitted they lacked confidence in the world situation to take on more obligations.

The feeling among life men is that prospects in large cities are too close to the sources of news and are "ticker tape" addicts. In other words, they read the ever-changing newspaper headlines all day and spend their money according to fluctuations in the stock market. Also, the threat of increased taxes seems to be a factor. Money is being distributed among workers in the industrial and rural areas, whereas this is not the case in certain large cities. Money is going to these cities, but

HARTFORD—A compromise has at last been reached on the question of savings bank life insurance legislation in Connecticut and it now seems certain that a vote will be taken this week.

Under the agreed plan, the system would be under the jurisdiction of the insurance superintendent with a board of seven trustees, including five bankers and two laymen. The maximum policy that could be issued is \$1,000 and the limit of such insurance any one person could buy is \$3,000. There would be no state appropriation and no state employees would be assigned to any phase of the work.

Prior to reaching the compromise, the lower house adopted a bill authorizing any savings bank to act as agent for the sale of policies of a life company, with a limit of \$900 of insurance for one person.

The action was taken despite charges by Democratic leaders that it represented an attempt to "sabotage" the savings bank life insurance bill adopted by the house two weeks ago and a move by insurance companies to "appease those sponsoring and voting" for such insurance.

Walter Howe, former speaker of the house and now chairman of the banks committee, said the Aetna Life, Connecticut General, Connecticut Mutual and Phoenix Mutual had agreed to write policies of from \$400 to \$900 each for sale by banks.

is being handled only by the banks.

Where agencies in large cities do report good increases, lots of this increase is coming in through group insurance. Air craft and industrial plants, which 18 months ago carried group on 2,000 employees, are now carrying it on 10,000 and contemplate doubling this figure in the next year.

### May Taggart Month in Texas

The Texas agencies of California-Western States have dedicated May to Grant Taggart, secretary National Association of Life Underwriters, who will be a featured speaker at the Beaumont convention of the Texas association.

## U. S. Chamber Sides with State System

Resolutions of interest to insurance were adopted at the annual meeting of the United States Chamber of Commerce in Washington. One memorial pertained to supervision and regulation of insurance. It stated that the safety record of insurance is a result of sound and wise principles and methods under regulations laid down by the states.

The performance of effective state regulation has been outstanding, according to the resolution. The present system offers a vehicle for steady improvement which makes unnecessary any form of federal regulation.

The characteristics of insurance render this essentially a problem for state rather than federal control.

State insurance officials at public expense should continue to cooperate with like officials of other states to the end that the public is assured a fair rate and solvency of insurers.

Solvency tests should be supported by periodic examinations made by full-time salaried employees of the state. Investments should be determined by the quality of the security regardless of the situs. Taxes should be fair and levied directly without regard to local investment requirements. Insurance buyers should be able to obtain from authorized companies in any state the coverage which their individual necessities require. The regulation of insurance should avoid interfering with functions properly belonging to management.

### Assails Special Taxes

One memorial declared that special state taxes now levied on policyholders through insurance companies should not be considered as a source of general revenue, but should be reduced to the total in each state which will adequately support the departmental supervision and a uniform principle of taxing insurance should be adopted throughout the states. This should exclude all other taxation excepting on tangible property. Such taxes are, in effect, sales taxes upon the thrift of citizens who have provided protection against misfortune. Identical taxes should be levied upon state operated insurance funds in fields where insurance coverage is available in private companies which are taxed.

## McGaughan Providence Manager of Mutual Life

T. F. McGaughan, who for the past six years has been supervising assistant at the Chrysler building agency of Mutual Life in New York, has been appointed manager at Providence, R. I. He succeeds D. F. Houston, Jr., resigned, who has been Providence manager since 1936.

Mr. McGaughan has been with Mutual Life since 1925 when he joined the Chrysler building agency following his graduation from Dartmouth. He is a graduate of Fordham University law school and in 1935 was awarded the C. L. U. designation. He has an outstanding record for agency recruiting and supervision work.

### New Cal. Department Offices

Commissioner Caminetti of California, has established a district office at 530 Broadway, San Diego under the direction of W. K. Henderson, investigator for the division. The office is prepared to take care of applications for licenses, investigation and general service to the public. Commissioner A. Caminetti, Jr., found a growing need for an office to handle this type of work for the territory surrounding San Diego, which includes the Imperial Valley and contiguous counties.

A similar district office is being established in the Forum building at Sacramento under the supervision of Investigator T. J. Cronin, to take care of Sacramento and surrounding counties.



## Metropolitan to Show Place That Industrial Fills

### Lincoln Accepts Challenge of Day; Says Line Is Vital Force

NEW YORK—Forcefully disagreeing with the TNEC's recommendation that "a fundamental change in the conduct of industrial insurance should occur, otherwise its eventual elimination may be necessary," President L. A. Lincoln of Metropolitan Life told its managers convention that "I want you to carry home the message that this company is very much in the industrial business, that we have been challenged as to the place which industrial insurance fills in the economic structure of this country and we're going to show them!"

Mr. Lincoln said that "as far as our organization is concerned, we accept this challenge to improve industrial insurance" and urged his listeners to see to it that industrial is sold to people who need it or the company would be "ten times as much subject to criticism." He stressed the point that each of the various types of life insurance should be sold according to the circumstances of the buyer. Critics of industrial, he said, have failed to understand the circumstances of the industrial class of buyers, the amount of money they have available and how impracticable it would be for them to buy insurance if industrial were not available.

#### Denies Criticisms Apply

Mr. Lincoln said he felt certain that Metropolitan and other first class companies writing industrial are not open to the criticisms made in the TNEC report. Concerning the remainder of the TNEC report, Mr. Lincoln observed that federal regulation was not recommended and that while there are a few suggestions about national charters these had no specific bearing on life insurance.

Mr. Lincoln took occasion to clear up some mistaken impressions which had got around through newspaper accounts of the Metropolitan's recent settlement of the charges brought against it through the New York state labor relations board by the CIO industrial agents union. He made it clear that the company had saved long and expensive litigation and that it had not had to take back one of the 43 agents allegedly discharged for union activities nor pay a single cent of back pay. He emphatically declared that union activity had nothing to do with the men's dismissal.

As for union activities in other territories, he remarked that the Wisconsin supreme court recently reversed an order compelling Metropolitan to bargain while in Philadelphia a proceeding asking for bargaining has recently been discontinued by the labor board.

Metropolitan's record for "controllable finals," was the lowest in 1940 of any year in the company's history. It was 6.81 percent as compared with a ratio of nearly 33 percent for 1930. In fact the ratio of terminations of agents' contracts from all causes for 1940 was only 14.2 percent, which was less than the controllable final figure of only three years ago.

#### Announces Company Leaders

Mr. Lincoln announced the company's leaders for 1940 in various categories. In addition to these, he paid particular tribute to the "blue ribbon" delegates—

### Slated for Top Post in Largest Association

Beatrice Jones, who has been nominated for president of the New York City Life Underwriters Association, is now educational vice-president of the organization. She is the first woman ever to hold office in the New York association. She has had a notable record in the business and has contributed much to the welfare of the industry. She is connected with the A. V. Ott agency of Equitable Society and has been with that company since 1928.



Beatrice Jones

### Guardian Life Schedules Series of Regional Rallies

A series of regional meetings will be launched by Guardian Life May 12-13 when agents in the metropolitan district gather at Asbury Park, N. J.

Agents in the southeastern district will convene at Jacksonville, Fla., May 15-17.

Other meetings in the series will be at Eagles Mere, Pa., June 9-11; Wawasee, Ind., June 12-14; Lake of the Ozarks, Mo., on June 19-21; Pequot Lake, Minn., on June 26-28; and San Francisco July 31 and Aug. 1 and 2.

President James A. McLain will attend all of the meetings, which will be under direction of F. F. Weidenborner, agency vice-president. Other home office officials who will participate at various meetings include J. C. Barnsley, vice-president and actuary, and Curtis Robertson, general counsel.

## Borrowers Are Customers as Much as Policyholders

NEW YORK—Those who are borrowing life insurance money are just as much customers as policyholders are and investment department representatives should be just as competent and interested in building good will as members of the agency force, H. W. Foksett, assistant vice-president Equitable Life of Iowa, said at the spring conference of the Life Office Management Association.

Probably the greatest opportunity for creating good will exists in connection with transactions with the more than 500,000 individuals who are being aided in the purchase of their homes and businesses by the use of life company funds, he said. As property owners their natural inclination is to support the American system of free enterprise and the institutions which make up that system. They have as much at stake in the maintenance of stable economic and political conditions as do policyholders. These customers are people of substance in their communities and their opinions carry weight with their neighbors and business associates.

#### Small Things Important

Small things are often much more important than big ones in determining public opinion and the few with alleged grievances to air are much more eloquent than the many who are pleased but nevertheless it is a good plan to examine some of these complaints to see what additional care must be exercised or what practices changed in order to eliminate the cause of the complaints, Mr. Foksett said. He told of several instances of discourteous or thoughtless treatment of borrowers, some of which had wide repercussions.

The first thing to do is to make sure

that all employees and representatives of investment departments fully realize the situation. It is possible that investment executives have been so busy with ever increasing problems and ramifications of their own jobs that they have not fully appreciated the important part life insurance plays in the family, social and economic life of the country.

#### Men From Outside

Changed economic conditions have forced companies to build up their investment department personnel by bringing in specialists from other fields of investments, frequently men trained in fields where good public relations are considered less important than in life insurance. Companies have also taken over offices of many of their former mortgage loan correspondents, usually keeping most of the personnel including in many instances the correspondent himself. There are a lot of things, Mr. Foksett said, that "John Doe, Mortgage Loans and Real Estate," or his employees can say or do locally that will not be tolerated by the public in John Doe as a representative of a life company. All too often neither John Doe nor the company realize this soon enough.

Legal departments should have a full realization of the meaning of relations with borrowers. Insistence upon strict compliance with rules which may now be antiquated is likely to cause friction and trouble with the public. Keen competition for good mortgage loans has been accentuated by the shift from a lender's to a borrower's market. In cases where a borrower refinances his loan the investment department employees should be extremely careful that they do not take out on the borrower their disappointment in losing a good investment.

#### Must Put Motives Into Action

No matter how fine the motives and proper the attitudes of the investment department officers, efforts to develop better public relations will come to nothing unless these motives and attitudes are effectively put into practice in the field, Mr. Foksett warned. However, if each employee of the investment department, at the home office and in the field, knows that he is in the life insurance business and realizes the importance of his job in building good will it will not be long before every security salesman and loan correspondent and the more than 1,000,000 customers of the companies' investment departments will become a vast army of loyal supporters, fortified by the friendly and equitable treatment they will have personally received from the life companies.

### NEW COMPLICATIONS

Because the investment situation has changed so widely in the last five years, with plentiful funds being available and borrowers being courted by many investors, efforts are made to meet the individual needs of each borrower, making it more difficult to standardize routines, said D. N. Wartars, vice-president and associate actuary Bankers Life of Iowa, and L.O.M.A. president. Analysis must cover a widely expanded and ever more complicated field. Operating arrangements and accounting systems must now meet the individual peculiarities of each case. No longer can companies expect customers to make extensive changes in their practices to accommodate the lender. Today flexibility is essential both in dealings with borrowers and in the routines which are followed.

At the same time, Mr. Wartars pointed out, there is need for a proper balance between the expense of a routine and the return that may be expected from it. When conditions and

## A TRIPLE TIE-UP

In this case the widow of the policyholder had two small children to care for, and a dependent father. Fortunately the insured was entitled to Social Security benefits, and in addition his employer generously allows his family one-half salary for a continuance of two years.

And here is the family's program of income. From Life Insurance, \$1,332 cash for clean-up expenses. From the employer, monthly income of \$130 during the first two years. From Social Security, monthly income of \$70 during the first 12 years. From Social Security, monthly income of \$52 during two years following the first 12 years. From life insurance, monthly interest income on the remaining \$6,000, about \$15 a month for two years. From life insurance, monthly income of \$50 for about 12 years following the first two years.

The total picture:—the family gets \$215 monthly income during the first two years, then \$120 monthly income during the next 10 years, then \$102 monthly income during the following two years.

Apart from the Social Security benefit and the employer's benefit, plus an original \$1,000 of life insurance, the additional life insurance necessary to make this program had cost the insured \$2.50 a week during his last four years.

\* \* \*

### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

(CONTINUED ON PAGE 7)



routes are changing rapidly it is more difficult to keep this balance but every effort must be made to see that analyses are to the point. There is no sense in keeping records and figures for the sole purpose of providing interesting conversation, he observed.

#### Should Survey Results

G. Robley Mackay, assistant treasurer Sun Life of Canada, emphasized that it is a healthy practice to survey periodically the quality of investment results being achieved. The fact that a company's investment organization is large does not by any means insure that it will do the best job, he said. The task of investing money calls for a great degree of alertness. Management must keep abreast not only of the fortunes of each individual item in the portfolio but of the forces underlying the very basis of investment itself. Advantage should be taken of every opportunity to improve the portfolio, he said, adding that too often errors of omission in institutional investing do not carry the same responsibility as those of commission.

#### FHA Results Excellent

President E. S. Brigham of National Life of Vermont described his company's experience with FHA mortgages. He said he viewed the FHA account as an investment with a good interest return and all the security of a government bond. National was one of the first companies to go in for FHA mortgages and Mr. Brigham said the net result of its six years experience has been that "we have come to have increasing confidence in the officers and personnel of Federal Housing Administration. Considering that the organization had to be built from the very foundation and that it covers the whole country, I want to pay tribute to the initiative, the fine sense of responsibility and the splendid cooperation that we have had from the very beginning."

#### Takes Added Precautions

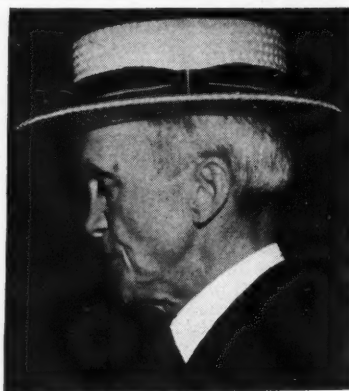
Mr. Brigham described the precautions which National takes in selecting its FHA loans, pointing out that it has never yielded to the pressure to buy blocks of FHA loans sight unseen and to rely upon the insurance feature entirely. Each loan is reviewed and attention is paid particularly to the borrower, his character, the length of his employment and his ability to make his monthly payments. Since 1935 the company has invested a total of \$80,640,826. This has been reduced by amortization and repayments to \$67,115,976.

Following Mr. Brigham's talk there was a symposium of company practices regarding the handling of FHA and other types of amortized mortgage loans. Those participating were E. A. Camp, Jr., treasurer Liberty National, chairman; Carl DeBuck, comptroller Union Central; C. C. Van Patten, treasurer Security Mutual; H. F. Chadeayne, vice-president General American; and M. D. Johnson, general auditor Lincoln National.

#### Other Papers Given

Among the others who presented papers were Dr. Thatcher C. Jones, of the school of business New York University, and R. H. Reid, executive assistant London Life, both of whose talks were reported in last week's issue; and H. Martin Tenney, assistant vice-president Connecticut Mutual; W. J. Young, secretary mortgage loan department, Fidelity Mutual; A. R. Roberts, Jr., supervisor planning division Bankers Life of Iowa; B. S. Johnson, assistant secretary Guardian Life of New York; R. L. MacGregor, national supervisor of real estate, Prudential; H. A. Goldin, mortgage loan branch office accounts, Prudential; and R. M. Green, vice-president Prudential, who led the discussion of home office control of properties and auditing income and expenses; Karl Maier, Jr., superintendent of residence loans Northwestern Mu-

### Weekly Premium Fire Cover Wright's New Field



A. R. WRIGHT

Georgia Fire Insurance Service, Inc., of Atlanta, of which A. R. Wright recently became superintendent of agents, sells fire insurance on a weekly premium industrial plan, for amounts of not more than \$500 on household goods. Standard fire policies of two or more stock companies are issued. The office has been operating about two years in territory embracing five states.

Mr. Wright served as deputy insurance commissioner of Georgia for 5½ years. His father was William A. Wright, who was comptroller general and insurance commissioner of Georgia and held that office for 50 years. A. R. Wright was not appointed by his father but by the late William B. Harrison.

Mr. Wright's entire business experience has been in insurance, principally life. He was with Mutual Reserve Fund Life Association in New York for 10 years in various departments and then went with Metropolitan Life. He had a traveling position in Canada and the United States, then became superintendent at Columbus, Ga. He served as Atlanta manager for 20 years, retiring in 1927. He emerged from retirement in 1935 to become deputy commissioner.

#### Interest in Extent of Impairment

Responding to inquiries as to the present status of Fidelity Assurance Association of Wheeling, W. Va., (Fidelity Investment Association) which was recently placed in receivership, Superintendent Lloyd of Ohio said the only rehabilitation plan so far discussed by the West Virginia receivers contemplates placing a substantial lien on all contracts. "We are told," he said, "that the impairment runs from 10 to 20 percent on some series of contracts and up to between 45 and 50 percent on other series. Any lien taken for purposes of rehabilitation would reflect this deficiency."

Asked whether Ohio contract-holders should continue to make payments to Fidelity, Mr. Lloyd said such payments are being impounded in West Virginia, but that it had not been made clear whether the cost of returning impounded deposits to the contract-holders would be deducted from the payments, if such payments are to be returned. Any payments made should be considered in the light of this problem, for contract-holders may not be able to recover 100 percent on payments now being made and impounded, he said.

tual; O. P. Scheller, assistant secretary Connecticut General.

President F. D. Russell of Security Mutual Life of New York acted as general chairman.

For a spring conference the meeting was exceptionally well attended. More than 300 representatives were on hand from about 80 companies. In spite of the meeting being held in New York attendance was not limited to the east. A number of men came from the Pacific coast and Texas and from Canada.

### Notable Program Arranged for H. & A. Conference Meet

The Health & Accident Underwriters Conference has completed its program for its annual meeting at the Edgewater Beach Hotel, Chicago, June 3-5. G. A. L'Estrange, Wisconsin National Life, convention chairman, arranged the program. At the opening session, Col. C. B. Robbins, manager American Life Convention, will give the welcome. Paul Clement, secretary Minnesota Commercial Men's, is president, and will give his address.

At this session, Holgar J. Johnson, president Institute of Life Insurance, will speak on "The Importance of Public Attitude," and C. M. Colignon, medical director Campbell, Wyant & Cannon Foundry, Muskegon, Mich., on "The Importance of Industrial Health in Our National Defense Program."

F. B. Alldredge, Occidental Life, first vice-president, will preside at the general session the first afternoon. The speakers will be C. W. Young, president Monarch Life; J. G. Crownhart, secretary Wisconsin State Medical Society; H. C. Pogue, group manager Business Men's Assurance, and A. G. Fankhouser, Continental Casualty, former president International Claim Association.

#### Agency Management Panel

There will be a panel on agency management with F. L. Merritt, vice-president Monarch Life, chairman. Those participating will be J. W. Scherr, Jr., Inter-Ocean Casualty; Rex Edmunds, vice-president Fidelity Health & Accident; R. L. Paddock, agency assistant Time of Milwaukee; T. T. McClintock, Ohio State Life; John L. Elliott, Washington National, and S. R. Rauwolf, North American Accident.

At the home office management session, D. G. Trone, Indiana Travelers Assurance, will preside. The speakers will be B. J. Faulkner, Woodmen Accident; L. E. Frailey of Frailey & Associates, Chicago; T. H. Steers, Chicago, consultant on office planning, and methods, and A. M. Weinrich, Lumbermen's Mutual Casualty.

An executive session will be held the third morning at which Fred E. King, New York attorney, will speak on "Wage and Hour Law."

### Would Show Developed Loss Experience on Non-Cam

NEW YORK—Addition of a developed loss experience table to the miscellaneous blank to determine how adequately reserves are being set up on non-cancellable accident & health business was among the recommendations adopted by the blanks committee of the National Association of Insurance Commissioners. Covering the first three years after the year in which the claim was incurred, the new table will do for non-cam what Schedule P, Part 5, does for liability.

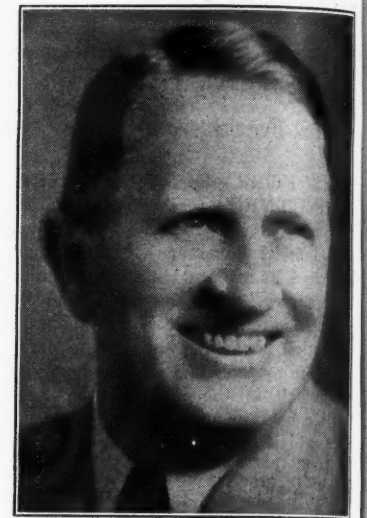
As each year's total of payments plus reserves for future payments is traced through its course, any appreciable rise would indicate under-reserving. The so-called class 3 disability table is considered adequate for claims a year or more old, though it is not customary to reserve so heavily on claims of shorter duration. The new table will show whether the change-over is being made from the short-term basis to class 3.

Chairman W. A. Robinson, actuary of the Ohio department, presided.

A new schedule B was recommended for the life blank which will not only continue to distinguish between farm and city mortgages but will show which are FHA-insured and which are purchase-money mortgages. It will continue to indicate which mortgages are transferred to real estate and permit closer reconciliation of the real estate account. There will be a section analyzing any change in the mortgage account, particularly any mortgages which have been increased to cover interest or taxes due.

### Eubank in Active Navy Service

NEW YORK—Gerald A. Eubank, manager of the downtown agency of Prudential, a commander in the supply corps of the naval reserve, has been



GERALD A. EUBANK

called to report to active duty at the Philadelphia Navy Yard, May 12. For the past year he has served as chairman of the Officer Procurement & Training Committee in the third naval district.

During the world war he served with the Bureau of Supplies & Accounts in connection with war risk insurance in London, and later was assistant to the supply officer at St. Nazaire, France, and the U. S. Naval Railway Battery in France. In 1939 he was chairman of club participation on Mayor LaGuardia's naval committee, which officially welcomed the Atlantic squadron of the U. S. fleet to New York City.

His son, Ensign Gerald A. Eubank, Jr., is now serving as disbursing officer of the supply corps on the U. S. S. Henry Lee. Another son, Hugh Eubank, completes his junior year at Princeton in June as a reserve midshipman and goes for a three months training course. Upon successful completion, he will be made an ensign, and will be assigned to active duty.

#### Henderson to Manage Office

During Mr. Eubank's absence, the agency will be managed by H. G. Henderson, assistant manager. Mr. Henderson, who went on a year's leave of absence Oct. 1, 1940, has offered to cut his leave short and will return to the office June 15.

An informal farewell golf party was given for Mr. Eubank Wednesday at the Links Club, Roslyn, L. I. Following luncheon, golf was played in the afternoon. Dinner was served and poker and bridge played in the evening. George Chace, agency vice-president of Prudential, attended. William A. Dunsmore, manager of Equitable Society, New York City, was in charge of arrangements.

#### State Mutual Contest for Bullock

The May campaign of State Mutual Life in honor of President Chandler Bullock is in the nature of a jig-saw puzzle contest. Each segment of the puzzle, at the center of which is a piece delineating Mr. Bullock, represents a certain amount of business. The pieces, distributed among agencies on the basis of quotas, accompany business sent to the home office and are inserted in the key puzzle at the home office. G. F. Robent, president of the company's general agent's group, is handling the contest, which has been dubbed the "May-rathon."



## N. Y. Governor Vetoes War Exclusion Measures

Governor Lehman has signed the bill permitting life companies to invest in large scale housing projects on land held under long term lease within 15 miles of a city of 100,000 or more, but vetoed the two war risk exclusion measures.

The governor signed the mortgage moratorium and anti-deficiency judgment extensions, which is a soldiers and sailors civil relief act patterned on the federal law, and the bills permitting domestic companies to "issue for delivery" in other states policies which may be barred by New York laws from sale in the state.

The veto of both war clause bills leaves companies licensed in New York only the alternative of using for New York business the highly unsatisfactory clause permitted under the code unless they want to continue leaving themselves open to war death claims. Companies have been refraining from incorporating war clauses in the hope that legislation would provide a more satisfactory substitute for the present provision. The latter permits exclusion for deaths resulting from military service, leaving room for numerous disagreements on whether a given death is actually the result of military service.

Either of the proposed bills would have permitted companies to deny liability in case the insured died while in military service.

However, because of other amendments which passed, domestic as well as non-state companies will be permitted to use the preferred form of war clause outside of New York, since the code provision now applies only to policies "delivered or issued for delivery" within the state.

Another bill which the governor vetoed would have permitted monthly premium industrial endowments of 20 years or longer provided the insured were not under age 6.

## Alexander & Co., Chicago, Fetes Long Connection

More than \$80,000,000 of life insurance business has been put on the books by the life department of W. A. Alexander & Co., Chicago, in the 20 years that it has represented the Penn Mutual Life as general agent, it was related at a 20th anniversary meeting held there this week. The agency's life insurance in force is \$43,000,000, which is regarded as a very high persistency record.

Urban Quirk, assistant to the vice-president of Penn Mutual, was a guest and reviewed the Alexander & Co. history. He noted that the life business it has produced has been of very high quality and persistency.

Wade Fetzer, Sr., was honored as the general agent and J. H. Sherman, manager of the life department, was recognized for his fine record. Mr. Sherman, June 1, will observe his 15th anniversary with Alexander & Co. He has been manager of the life department since 1929.

### In Business for 56 Years

The Alexander & Co. agency, which does a general insurance business, is 56 years of age.

A special drive for life business is being conducted, there being a contest among the agents for selection of one agent under contract less than five years and another under contract more than five years to go to the home office and be entertained by the company for several days. A. E. Patterson, agency vice-president, gave special recognition to the campaign, supplying anniversary applications and letterheads.

There are 20 agents who were connected with the office when Alexander & Co. first became general agent for Penn Mutual and who are still active there. They are: H. E. Alexander, C. S. Benjamin, F. J. Bristle, F. B. Burns, G. Clark, F. H. Crowther, Wade Fetzer, W. R. Kemper, R. K. Lake, A. F. Ma-

## LEGISLATION

### Expect Florida Bill's Passage

TALLAHASSEE, FLA.—The Florida life agents' qualification bill bids fair to become a law, according to A. LeRoy Johnson, Sun Life of Canada state manager and chairman of the legislative committee of the Florida Life Underwriters Association. It has a favorable report from the house insurance committee, with the governor, the insurance commissioner and attorney-general interested in its passage.

Life men fear a hard fight to defeat a bill increasing premium taxes from 2 to 3 percent.

Illinois—A bill has been introduced excluding insurance agents and solicitors from the unemployment compensation act. Other bills:

Increase percentage of admitted assets domestic companies may invest in railroad, public utility and certain other types of corporation bonds from 25 to 33 1/3 percent.

Provide that investment contract securities can only be sold by duly incorporated insurance companies under supervision of the insurance director.

Provide that life companies can't charge more than 4 percent on policy loans of more than \$300 and not more than 4 1/2 percent if less than \$300.

Extend time for reorganization of burial societies under Illinois code to Jan. 1, 1942.

Provide uniform liquidation of insurance companies.

Nebraska — The aviation exclusion bill backed by life insurance people went through the committee of the whole without opposition. The bill includes service in the aviation corps of any nation at war, declared or undeclared, along with the hazards of the military or naval service. It permits companies to write policies either on the basis of full coverage at an added premium rate or limitation of liability to reserves plus paid-up additions and any dividends standing to the credit of the policyholder, less any indebtedness due the company. The principal purpose of the law is to include aviation along with naval and military service in the incontestable clause exceptions, to conform to a recent supreme court holding. The limitation is not applicable where persons are fare-paying passengers of a commercial airline and flying on a regularly-scheduled route between definitely-established airports. Passage within a few days is assured, backers of the bill say.

Massachusetts—The proposition of Mayor Fitzgerald of Boston that the legislature take note of the TNEC investigation report and pass his bill ordering a state investigation of life insurance companies in Massachusetts was killed in the house by a vote of 94 to 86.

An act which proposes to provide group life insurance for members of civil service employe associations was opposed.

Missouri—The senate voted to exempt burial societies from the state's insurance laws.

### Guardian's Weidenborner Month

Guardian Life's campaign for new business in April, which was in honor of Frank Weidenborner, agency vice-president resulted in a 10 percent gain over April, 1940, in both lives and volume and paid business was the largest in any month since December 1939.

Leading lives producer throughout the country in "Weidenborner month" was R. S. Remole, Minneapolis, with L. D. Telk, Denver, runner-up, and L. H. Cherry, Jr., Charlotte, N. C., third.

guire, F. H. McElhone, J. P. Murphy, H. L. Myers, C. E. Patterson, A. A. Reeve, W. W. Rice, E. J. Riley, H. W. Thayer and J. K. Wooten.

"All that I am...  
or ever hope to be  
...I owe to  
my Mother..."

A. Lincoln

In grateful tribute  
to the nation's mothers  
on Mother's Day

THE LINCOLN NATIONAL LIFE  
INSURANCE COMPANY

FORT WAYNE, INDIANA

More Than a Billion Dollars of Insurance in Force

From May 10 issue of Saturday Evening Post and May 12 issue of Time Magazine.

## Report Specific Questions Arising Under Treasury Decision of Jan. 10

"Estate & Tax News," in its May edition, discusses some specific questions that have arisen in the interpretation of Treasury Decision 5032 of Jan. 10, 1941. This decision holds that the proceeds of policies payable to beneficiaries other than the executor or estate of insured, in excess of \$40,000 shall be taxed in the proportion that premiums were paid by the insured.

An exception is made in the case of policies whose incidents of ownership were irrevocably transferred by the insured prior to Jan. 11, 1941, and were never possessed by the insured thereafter: as to these policies, only proceeds allocable to premiums paid by the insured after Jan. 10, 1941, are taxable.

"Estate & Tax News" has this to report:

How the regulations are applied to specific situations is illustrated by a recent ruling. An attorney asked the bureau whether life insurance proceeds in excess of the \$40,000 exemption should be included in the insured's estate for federal tax purposes where:

1. The insured paid no premiums at any time, but possessed legal incidents of ownership in the policy at his death occurring after Jan. 10, 1941?

2. The insured paid no premiums at any time, but possessed legal incidents of ownership in the policy after Jan. 10, 1941, which legal incidents of ownership he had irrevocably transferred prior to his death?

3. The insured paid premiums on or before Jan. 10, 1941; but not thereafter, and possessed legal incidents of ownership in the policy after Jan. 10, 1941, which legal incidents of ownership he had irrevocably transferred prior to his death.

### Bureau's Answer to Question

The bureau answered: As to situations 1 and 2—No proceeds of such insurance would be taxable in the insured's estate since he paid none of the premiums.

As to situation 3—Such insurance would be includible in the gross estate of the insured in the proportion that the premiums paid by him bear to the total of all premiums paid for the insurance, since the insured possessed at some time after Jan. 10, 1941, the legal incidents of ownership. Transfer of the incidents of ownership after Jan. 10, 1941, does not affect the taxability of the proceeds.

The treasury's regulations provide that premiums which are "indirectly" paid by the insured shall be considered to have been paid by him. There is no indication in the regulations, however, of what is considered "indirect." For this reason, a recent decision of the U. S. board of tax appeals (Estate of John E. Cain, Sr., 43 BTA No. 156 is important.

### Factual Situation Outlined

Factual situation was: A policy of insurance for \$50,000 was issued on the decedent's life in 1929. The insured's wife and children were named as primary beneficiaries, and his grandchildren as contingent beneficiaries. The insured retained no right to change the beneficiaries or to borrow on the policy or assign it, but he did provide that in event of the death of all named beneficiaries (including all his grandchildren), the proceeds should be payable to his estate. The insured paid the first premium of \$4,557. His wife paid all subsequent premiums (aggregating \$27,708) out of income from securities which the insured had previously given her.

The board made these rulings:

(1) The possibility that the proceeds might be paid to the insured's estate, though remote, was a "legal incident of ownership," and if the insured had paid the premiums the entire proceeds (in excess of \$40,000 exemption) would have been includible in his estate.

(2) The premiums paid by the wife

are not to be attributed to the insured. Commenting upon payment of premiums by the wife, the board said: "It is true that her separate estate consisted of property which her husband had given to her at various times during their marriage. However, in our opinion this fact alone does not justify the attributing to the husband of the premium payments made by his wife."

(3) Since the insured directly and indirectly paid only a portion of the premiums, only a corresponding portion (4,557/32,265) of the proceeds are taxable in his estate.

The importance attached by the board to the payment of premiums is in line with existing estate tax regulations. However, there are indications in this decision that the board may not agree with the treasury department as to the immateriality of a transfer of legal incidents of ownership where the transfer occurs after Jan. 10, 1941.

### Court Rules That Effective Date of Policies Is the Time Delivery Was Actually Made

In *Peddy vs. Great Southern Life* the Texas Court of Civil Appeals, 9th supreme judicial district, found for the plaintiff in a case involving effective date of policies. There were two supplemental double indemnity contracts attached to the life policies, each dated Nov. 25, 1933. Delivery was made Dec. 10.

While the annual payment plan was provided, the assured was allowed to pay premiums on the monthly basis. Each month the company sent premium notice providing for payment on the 25th. Payments were made up to March 25, 1940. On June 1, the assured sent

a check for payments he had been notified fell due April 25 and May 25.

The company returned the check, stating the grace period of one month had already expired. However the assured did not receive the statement. He was fatally injured June 3 and died the day after. There was no denial of accidental death. It was established that on previous occasions, the company had accepted premium payments after the grace period of one month which would run from the 25th of the preceding month.

The court held the policies were in force so that the double indemnity provision was in effect. The reasoning was: the policies provided that they were not to be effective until delivery, so that the actual delivery date was Dec. 10, 1933; premiums paid on the 25th of each month were not actually due until the 10th of the following month so that payment made March 25, 1940, was not due until April 10: this payment continued the insurance in force until May 10 and the grace period continued on thereafter to June 10, which was beyond date of death.

Among *Wichita* life men on the "Good-Will" tour of the *Wichita* Chamber of Commerce this week through western Kansas and into Denver were Frank B. Jacobshagen, secretary, and Clayton Mammell, home office general agent Farmers & Bankers, and Henry W. Laffer, Northwestern Mutual general agent and chairman of the chamber's "meetings and programs" committee.

## Conventions

May 10, Harrisburg, Pa., Sales Congress.

May 15-16, Southern Round Table, Life Advertisers Association, Dallas, Baker Hotel.

May 15-16, Actuarial Society of America, New York, Waldorf-Astoria.

May 16, Louisville Sales Congress.

## OBSERVATIONS

### Opportunity for Older Men

The *Diamond Life Bulletins* agent service calls attention to the fact that general agents should not overlook the opportunity for recruiting as agents experienced men above the draft age. The bulletins says that comparatively few new men of draft age are being inducted into the life insurance business. Many of these now in the business may be called before the year is out. Therefore the experienced man above the draft age has a real opportunity. Editor A. R. Jaqua opines that such men being inducted into the agency field should spend little time in complicated programming pension trusts, business insurance, etc., but should centralize their efforts on making plenty of calls on what might be called the wage earning class or those that are employed and doing fairly well. He believes that there is not much to be gained in such men attempting to master the intricacies of the business or to undertake to educate themselves so that they can deal with the bigger corporations or bigger men.

In this connection he calls attention to the fact that salary savings insurance is a good line to solicit. He recommends that agents study this class and go among the small business houses and other employers, getting as many franchises as possible. He states that one company does 25 percent of its business through salary savings. Last year the Penn Mutual found that 12 percent of its business was paid for on the salary savings basis. There were over 50 new groups established by it last year. Twenty-five salary savings leaders for that company last year averaged 90 lives apiece. This is a line of effort that is well worth pursuing.

**Diamond Life Bulletins** increase sales. For details write 420 E. Fourth St., Cincinnati.



A few territories open to alert, ambitious men who can meet our strict requirements.

# Bankers

## NATIONAL LIFE

Insurance Company .. Montclair, N. J.

Ralph R. Lounsbury, President  
W. J. Sieger, V. P. & Sup't. of Agencies



## Show Place That Industrial Fills

(CONTINUED FROM PAGE 3)

men who have never made the convention on the basis of any individual year's record but whose all-round performance has been outstanding. Mr. Lincoln established this group of delegates in 1935. As he put it, "leaders come and leaders go but you blue ribbon men are the standbys through the years."

Mr. Lincoln announced that next year's convention would again be at the Waldorf-Astoria and would be the week of April 13. He said that arrangements have already been made to hold the 1943 convention at the Waldorf and because the company's 75th anniversary will be March 24 of that year the convention will be the week which includes March 24.

Among the leaders announced by Mr. Lincoln were the following:

### Kramer Wins Veterans' Trophy

Winner of the veterans' trophy for the manager making the most outstanding record for the year: W. H. Kramer, Baltimore; second, P. W. Gerhardt, Bethlehem, Pa.; third, E. W. Fenn, Newport News, Va. Alfred Brave, Claremont, Md., had the best five-year record on the veterans' trophy basis. Woolf Guon, Chicago, was runner-up.

Leading managers from each territory on the veterans' trophy basis: metropolitan New York, M. L. Sternhell, Brooklyn; southern, E. W. Fenn, Newport News, Va.; great eastern, P. W. Gerhardt, Bethlehem, Pa.; Great Lakes, A. C. Priehs, Flint, Mich.; southwestern, J. T. Murphy, St. Louis, Mo.; New England, R. E. Shepard, New Britain, Conn.; central, G. P. Finnegan, Youngstown, Ohio; Atlantic coast, W. H. Kramer, Baltimore; Pacific Coast, G. W. Schwenger, Salem, Ore.; Canadian, F. W. Jenkins, Yarmouth, N. S. Mr. Jenkins was transferred to London, Ont., Oct. 26.

K. H. Keder, Du Bois, Pa., was the leading manager in ordinary production per man per month and in ordinary gain of insurance in force per man per month. He has since been transferred to Charleroi, Pa.

### Accident-Health Leaders

A. D. Maddalena's district led in accident and health premiums placed per man. A. B. Goldstein, Worcester, Mass., was the leading office account manager in A. & H. H. E. Young, Tampa, was the leading regular agent in amount of ordinary placed, Louis Haft was the leading district office agent in ordinary placed, and J. M. Cohen, Newark, was the leading ordinary representative in this classification.

Leading agents in industrial increase were H. H. Hofmeister, Baltimore, among the regular agents and F. H. Potvin, Manchester, N. H., among the district office agents.

Jake Edwards, Paterson, N. J., was the leading agent in A. & H. premium placed while Louis Some, Newark, led all ordinary representatives in A. & H. premiums.

J. H. Jones, general supervisor group division, New York City, led in the production of group insurance again for 1940.

### Entertain Paul Jones in East

NEW YORK—Director of Insurance Paul F. Jones of Illinois, having expressed a desire to meet a number of company officials during his visit to Superintendent Pink here, opportunity to do so was afforded through a luncheon tendered by A. M. Best and Arthur Snyder Tuesday. In addition to Mr. Jones and Ferre Watkins, head of the Illinois liquidation bureau, and Mr. Pink, guests included: P. L. Haid, president Insurance Executives Association; C. W. Fairchild, general manager Association of Casualty & Surety Executives, and Leroy A. Lincoln, president Metropolitan Life, all of whom spoke briefly, as did Mr. Best. Superintendent Pink acted as master of ceremonies.

Mr. Jones and Mr. Watkins were in Hartford Monday for a conference with Commissioner Blackall, and they were entertained at a luncheon there.

## CALLED TO SERVICE

Three agents from the Lewis C. Sprague agency of Provident Mutual Life, New York City, were called recently into active service with the army and navy. Lieut. Edward T. Smith is stationed at Camp Devens, Mass., and John Campbell at Fort Benning, Ga. Neale Williams is stationed on the U. S. S. Prairie State, the naval reserve training station in New York City.

Lieut. R. K. Lindsley, son of President H. K. Lindsley of the Farmers & Bankers Life, Wichita, who was called to military service last November and assigned to the R.O.T.C. at the University of Missouri, has received orders to continue his duties another year. Mr. Lindsley was publicity director of the Farmers & Bankers.

C. N. Torok, an actuary of Metropolitan Life is in the army at Fort Barry, Cal. His call to service made it impossible for him to appear as scheduled on the program of the Actuarial Club of the Pacific States on May 5 at Del Monte, Cal.

### Cal-Western Has "Non-Can" Form

California-Western States Life has announced a new guaranteed renewable disability income policy. The new "Cal-Western" form, issued to male risks only, provides income up to \$200 a month for disability caused by accident or sickness, with an aggregate income limit of 24 months. It is guaranteed renewable to age 60.

For accidental injury, full benefits are payable from the first day of total disability, with one-half partial disability for three months. For sickness, full benefits are payable after the seventh day up to policy limits. House confinement is not required.

The company is selling the policy in 11 western states.

### O. K. Aviation Riders in Minn.

In the first order issued since he took office Feb. 1, Commissioner Johnson notified life companies that he will accept aviation exclusion riders as authorized by a recent act of the Minnesota legislature. In doing so he vacated an order issued Jan. 20 this year by his predecessor, Frank Yetka.

This was one of the major pieces of legislation sought by life companies at the session just ended in Minnesota.

### War Restriction Rarely Applied

The notations in the recent chart, "War Restrictions in Life Insurance Policies" pertaining to Mutual Benefit Life gave the incorrect impression that this company is making extended use of a restrictive clause. The riders of Mutual Benefit Life were gotten up to enable the company to take care of the occasional risks who might be traveling abroad or engaging in the service of some foreign power and it has been applied in less than 25 cases during the year or more when it has been available.

### Need More Michigan Examiners

Frank Cardero made his first appearance on the platform since being appointed deputy commissioner of Michigan, at the meeting of the Detroit Association of Insurance Agents, at which Frank L. Erion, Chicago, was the principal speaker. Mr. Cardero said that Michigan is the port of entry for all Canadian companies operating in the United States, yet the Michigan department has only seven examiners. He said the department has asked the legislature for an increased appropriation so as to support a larger staff, including more investigators.

Military Service & Life Insurance answers all your questions. 50c, National Underwriter.

# QUIZ AD No. 8

**QUERY:** What life insurance company has unusually complete accident and sickness insurance facilities for its field force?

**COMMENT:** Life, accident and sickness insurance are personal coverages... insuring an individual rather than a piece of property. They complement each other... Affiliated with Continental Casualty... long acknowledged a leader in the health and accident field... Continental Assurance offers its agents opportunity for added premiums... and commissions.

# Continental

## ASSURANCE COMPANY

CHICAGO, ILLINOIS

*Affiliated with*

## CONTINENTAL CASUALTY COMPANY

## TRANSPORTATION INSURANCE COMPANY

## Ecker Finds Many Cheerful Facts

(CONTINUED FROM PAGE 1)

showing for writing the forms of insurance best fitted to the real needs of applicants and for the kind of services that have been rendered to the policyholders. He congratulated the field force on its accomplishments.

In the ordinary department persistency for 1940 was the best in many years while industrial insurance voluntary terminations again showed a decrease in 1940 in spite of the granting of cash values on industrial policies being liberalized somewhat during the year. The net lapse rate per \$100 of cumulative debit was the lowest reported since 1920.

### Ordinary Exceeds \$12,000,000,000

Business in force in the ordinary department at the end of the year amounted to \$12,268,031,262, exclusive of group, a gain of 3.1 percent as compared with a gain of 2.9 percent during 1939. Ordinary business in force on the monthly debit basis increased to a greater extent than other types of ordinary business. About \$933,000,000 of new ordinary insurance, excluding dividend additions and reinsurance accepted, was issued during 1940, a decrease of about \$18,000,000 or 1.9 percent from 1939, the decrease being largely accounted for by a lower volume of special intermediate business, probably due to the reintroduction in states outside of New York of industrial endowment policies.

Insurance in force on weekly premium industrial policies continued to decrease slightly in 1940 but insurance in force on monthly premium industrial policies showed a sizable increase for the year. As a result the total industrial insurance in force for the year 1940 amounted to \$7,505,005,064, a decrease of only about one-tenth of 1 percent from 1939.

Personal accident and health insurance reached a premium volume of \$6,-

087,983 by the end of 1940, an increase of about 9 percent for 1939 and the largest amount of premium in force in the A. & H. division's history. New business issued in 1940 showed a gain of about 22 percent over 1939 and there was also an improved persistency. The response to the new "simplex" policy was particularly encouraging Mr. Ecker said.

Group life in force amounted to \$4,150,747,852 at the end of the year, covering 2,130,480 lives. This was an increase of about 10 percent.

Discussing annuities, Mr. Ecker said that because of current investment difficulties Metropolitan has deemed it advisable to avoid issuing a larger amount of group annuity business than would be desirable in the interest of policyholders in general. Metropolitan received group annuity considerations during 1940 in the amount of \$42,000,000 and consequently adopted a new underwriting rule under which group annuities hereafter will be issued only to employers who also carry group life coverage with the company. Metropolitan has a relatively small amount of individual annuities, he said, amounting to about \$9,000,000 of annual income, which covers not only individual annuities but annuities issued as supplementary contracts.

### Encourages Further Sales

Stating that the amount of coverage owned by Metropolitan policyholders is substantially the direct result of the field force's efforts Mr. Ecker said that "this company was established for the express purpose of offering insurance protection to the public and we would fall short in our duties if we did not make a determined effort to increase the insurance protection of persons already insured and to extend insurance protection to persons without it."

## Loss in \$500,000,000 of Good Common Stocks Would Have Been \$170,000,000

Metropolitan Life would have lost \$170,000,000 by 1931 if it had invested only \$500,000,000 in common stock from 1921 to 1929, even though these were only the five or six most seasoned and highly regarded issues, Chairman H. F. Ecker said at the annual banquet which concluded the company's managers convention. He said it is not necessary to ridicule the absurdity of the SEC Monograph 28's contention that companies should be permitted to invest in common stocks, particularly its suggestion that life insurance funds be used to finance new enterprises.

As exhibiting the federal investigators' lack of understanding of the life insurance business, Mr. Ecker recalled that at the first hearing the SEC showed data to indicate that the life insurance premium income alone was sufficient to pay all disbursements to policyholders and in consequence the excess was all profit or "velvet." Mr. Ecker took issue at the time with this interpretation and pointed out to the SEC that the funds are practically all policy reserves and are exactly the same as deposits in a bank and that it would be more exact to refer to them as "policyholder funds subject to demand."

Mr. Ecker said he disagreed with statements heard in some quarters that the TNEC inquiry has hurt the life insurance business. While more public attention has been directed to the business, he said he believed the institution is held in higher esteem today than before the inquiry. It was necessary to go back 20 years to turn up anything and the companies involved represented less than 2 percent of the business. It was so evident that the investigators were seeking the bad and not the good that the public has paid little attention to the SEC findings, he said.

Discussing the international situation,

Mr. Ecker said that "the only hope for retaining a democratic form of government anywhere in the world is that the Axis should be defeated, and anything short of that will make world peace impossible."

"Whether we like it or not, we are in the war," Mr. Ecker said. "Any notion that what we do may be taken as a cause for war to be declared on the United States is nonsense. The totalitarian states already have many reasons, but they would need none if it suited their book to take such action."

### Urges Non-partisan View

"This is no time to indulge in heroics. One may not believe in the principle of 'my flag; right or wrong,' but when my flag is in danger of being destroyed and trampled in the dust, that is quite a different matter."

"We have serious problems, domestic as well as foreign, confronting us. We look for leadership to the President of the United States, chosen by the will of the people, and I am for supporting him to the very limit. The situation is too grave to be influenced by any political considerations."

Discussing the TNEC inquiry, W. E. Hope of the New York law firm of Milbank, Tweed & Hope, a Metropolitan director, said he did not object in any way to an investigation such as the TNEC's as long as it was conducted fairly but said he objected when such an investigation was conducted unfairly or for a destructive purpose. Because of his interest as a director Mr. Hope attended practically all the hearings where Metropolitan was under consideration.

Considering how searching the investigation was and how industriously the investigators searched for irregularities, great credit is due to the compa-

nies, Mr. Hope said. At the same time he cautioned against complacency. It was evident, he said, that some of the investigating authorities favored extension of government authority, anywhere from federal supervision of life insurance to government ownership. Mr. Hope said he did not question their motives but he disagreed with their conclusions. He remarked that he had spent some time in the government service and knew how extravagant and inefficient the government can be, especially when politics enter in.

Mr. Hope said he is firmly convinced that the life insurance business is best conducted by private companies operating under public supervision. He warned that the threat of federal regulation is merely deferred by the present defense emergency and will be renewed when that is over. Mr. Hope urged a continuing search for new methods of

service to policyholders, saying that "we should never adopt a wholly defensive attitude towards suggestions even from hostile sources."

### Role of Field Men

Mentioning the role of the field men in their contact with the public, Mr. Hope said that the good opinion of the public in the last analysis depends on the field force and public opinion is the life insurance business's real defense against unfair attacks.

D'Alton C. Coleman, Metropolitan's director from Canada, who is senior vice-president of Canadian Pacific Railway, told of Canada's war work.

President Leroy A. Lincoln said that the average income of Metropolitan field men was \$54.50 in 1940 as against \$52.50 in 1939. He announced that the company has made arrangements to permit any officer or employee to buy gov-

ONE OF A SERIES DEMONSTRATING

# STRENGTH



## Success is *Catching!*

Any good salesman knows that . . . and any good salesman likes to work with an outfit of men on the way up . . . men whose whole working tempo is geared to success.

One of the important factors of strength in Connecticut General grows out of the working of this principle. It is a strength that we have built up through greater care, first in the selection of Connecticut General agents and secondly in planned success-training that assures productive selling.

We insist upon high standards in the selection of our agents and in their training for three very good reasons. It is better for the men themselves . . . better for the Company . . . and better for the insurance business as a whole, in that it tends to raise the standards of service rendered to the insurance buying public.

• LIFE •  
• ACCIDENT •  
• HEALTH •



• GROUP •  
• SALARY ALLOTMENT •  
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## Connecticut General Life Insurance Company

Hartford, Connecticut



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ernment defense bonds or stamps through payroll allotment. He mentioned that a Metropolitan man, Gale F. Johnston, regional group manager, at St. Louis and a National Association of Life Underwriters trustee, had been loaned to the government to take charge of the sale of these bonds and stamps. Mr. Johnston was on hand and Mr. Lincoln called on him to take a bow. Mr. Lincoln mentioned other men connected with the Metropolitan who are active in the defense effort.

Two colored motion pictures were shown, one emphasizing the importance of nutrition in the national defense, which is being released jointly by the Metropolitan and the United States public health service, the other dealing with the company's exhibit at the New York world's fair.

## Guertin Group and N. Y. Dept. in Harmony Move

NEW YORK—Although no statement has been released, it is understood that as a result of a joint meeting some weeks ago the nonforfeiture committee of the National Association of Insurance Commissioners, headed by Actuary A. N. Guertin of New Jersey, and the New York department's nonforfeiture committee, of which Associate Actuary Maximilian Hollenberg is chairman, have made substantial progress toward a mutually satisfactory basis for nonforfeiture values.

For a time it looked as if differences in views on important points, particularly the divorcing of the nonforfeiture basis from the policy reserve basis, would make it impossible to have a nonforfeiture basis and consequently a policy reserve basis that would be uniform country-wide. The present outlook, however, indicates that by the time the commissioners convene next month there will be no fundamental conflict between the views of the Guertin committee and those of the New York department.

## Industrial Insurers' Legal Program Out

A program featuring discussions of vital problems, presented by prominent speakers was announced for the yearly meeting of the legal forum at the annual session of the Industrial Insurers Conference in Richmond, Va., May 29. The program arranged by Chairman P. M. Estes, who is chairman of the conference committee on laws, will occupy the morning and afternoon of the second day of the Conference, which will meet May 28-30. Mr. Estes is general counsel of Life & Casualty. The program is: "Taxation"—C. A. Craig, board chairman, National Life & Accident, Nashville.

### Wage and Hour Problems

"Wage and Hour—Companies Operating in One State," Frank S. Normann, general counsel First National Life of New Orleans.

"Wage and Hour—Non-Insurance Activities Agents and District Officers," Frank E. Spain, general counsel Liberty National, Birmingham.

"Wage and Hour—Multiple State Companies," W. C. Turpin, Jr., general counsel Bankers Life & Health, Macon, Ga.

"Unemployment Compensation Legislation, Commission Contract," John Marshall, Jr., general counsel Kentucky Central Life, Anchorage, Ky.

"Big and Little Wagner Acts," Jacob S. New, general counsel Eureka-Maryland Assurance, Baltimore.

"South Carolina Punitive Damage," Ashley C. Tobias, Jr., general counsel Carolina Life, Columbia, S. C.

"Federal Supervision of Life Insurance and TNEC," Estes Kefauver, member of Congress from Tennessee.

Diamond Life Bulletins increase sales. For details write 420 E. Fourth St., Cincinnati.

## STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gives the following stock quotations of life companies as of May 5:

	Par	Div.	Bid	Asked
Aetna Life ....	10	1.40*	26 1/2	28
Conn. Genl. ....	10	.80	22	24
Contl. Assur. ....	10	2.00	34	36
Life & Cas. ....	3	.50	10	11 1/2
Lincoln Natl. ....	10	1.40*	29	31
New World Life ..	10	.30	3 1/2	4 1/2
N. W. Natl. Life ..	7.50	1.30	9 1/2	10 1/2
Ohio Natl. Life ..	10	1.25	25	28
Old Line Life. ....	10	.60	10 1/2	11 1/2
Travelers .....100	16.00	3.95	410	
Wis. National. ....	10	1.00	16	18

\*Includes extras.

## Steele Again Heads Iowa Farm Management Group

DES MOINES—Duncan Steele of Des Moines, Iowa farm loan representative of Connecticut Mutual Life, was re-elected president of the Iowa Farms Association at its annual meeting. Thomas Hefley, Northwestern Mutual Life, was re-elected vice-president and J. S. Auner, Bankers Life of Iowa, elected secretary-treasurer.

Directors are Walter Barnes, Travelers; Arthur McGill, Equitable of Iowa; Charles Haworth, Aetna Life; Ray Murray, Union Central; J. H. Zigarang, American Mutual; Carl Kennedy, Metropolitan, and Otto Ronegan, Mutual Benefit.

### Get Land Back to Farmers

Joseph Ackerman, land tenure specialist of the Farm Foundation, principal speaker at the meeting, pointed out that most insurance companies have been working effectively toward the objective of getting land back into the hands of private individuals and mostly actual farm operators.

He criticized the Iowa landlord lien law as being one of the most hard-boiled in any state.

## Set Up Corporation for "Counselling" in K. C.

KANSAS CITY — The Insurance Advisory Council has been set up here. H. R. Morton, formerly with the National Institute of Research & Economics, New York, who opened the Kansas City office of the Policyholders Advisory Council, New York, last fall, owns controlling interest and is president and manager.

A certificate of incorporation recently was issued the Council by the Missouri secretary of state, to provide service and advice in connection with insurance and investment problems, including planning of estates and reconstruction of insurance programs. Charges are on a fee basis.

Incorporation provided 1,000 shares of \$25 par value preferred plus 1,000 shares of common. Incorporators were Mr. Morton, Helen Morton and A. W. Martin.

### Evade Anti-twisting Laws

The anti-twisting laws, according to Mr. Morton, prevent an agent from advising transfer, but a third party may do so. He said that in his organization's work a client is seldom taken out of one company and put into another.

Mr. Morton is not a life insurance salesman. His plan is to build up a staff of "actuaries and advisers" with insurance sales experience, working at present on a part time basis.

Efforts of councillors have been opposed here in the past by the Better Business Bureau and the life insurance business.

George Nettleton, of Spokane, Wash., with the Equitable Society since 1917, is the first man in that state to be retired under its new retirement plan. Mr. Nettleton, who observed his 80th birthday recently, was honored at a luncheon given by the company and handed his first retirement check.

# What Did the Industrial Companies Do in 1940?

This question is answered fully and completely in the 8 page booklet "Annual Compilation of Industrial Insurance" published annually by the Industrial Salesman. The booklet is a handy reference for use throughout the year giving figures on the operations of 150 industrial companies in 1940 on both industrial and ordinary, the most complete and compact summary published exclusively for the industrial companies.

There are five tables in the booklet: Industrial life business of 80 leading companies Jan. 1, 1941; Figures from 140 industrial company financial statements; Weekly accident, health and life results for 77 companies, Ordinary life business of 50 industrial companies, and 35 Leaders ranked 6 ways.

### Here, in Detail, Is the Information Given:

1. Leading industrial companies ranked by industrial life in force: Rank in 1940 and 1939, Industrial life in force 1940, Increase industrial life in force for two years, New industrial life written for two years.
2. 140 Industrial companies: Assets, Increase in assets, Capital, Policyholders' surplus, Increase in policyholders' surplus, Contingency reserve, Income, Disbursements, Industrial accident and health premiums, Industrial life in force, Ordinary life in force, Group life in force, Total life in force, Increase in total life in force.

3. 77 Companies writing weekly accident, health, and life: Weekly accident and health premiums, Weekly benefits paid, Weekly accident and health death claims, Industrial life premiums, Industrial life claims, Ordinary life premiums.

4. 50 Leading industrial companies: Ordinary life in force, Dec. 31, 1940, Increase ordinary life in force for two years, Ordinary paid for for two years.

5. 35 Industrial company leaders in 1940: Assets, Total income, Industrial increase, Industrial written, Ordinary increase, Ordinary paid for.

Prices of the booklet are as follows: 1, 15 cents; 10, 12 cents each; 25, 10 cents each; 50, 8 cents each; 100, 7 cents each; 500, 6 cents each.

## Order Blank

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## EDITORIAL COMMENT

### Quality Is Superseding Quantity

MANY observers may have doubted whether the movement in life insurance to reduce the number of unfit, incompetent and unsuccessful producers was accomplishing its mission. The swarm to a casual onlooker appeared about the same in number.

The figures released by the Institute of Life Insurance are encouraging. Last year its calculations show 130,000 full-time agents working in 1940, a reduction of 4,000. An analysis of results achieved records a higher standard of craftsmanship. Volume of business, which should not be ignored, is placed secondary to quality. Good agents produce good business. Take away the small bored and high pressure competitors, and the legitimate service giving agents gain in income.

The Institute of Life Insurance census reveals a constant picture of progress. There were 13 percent fewer full-time agents last year than five years ago and yet there was 17 percent more insurance in force. The capacity of the less number of salesmen is by no means exhausted. This same army can do much more.

The Institute estimates there are 22,000 part-time agents, 25 percent less than five years ago. The decrease is found chiefly in those cities where the

crusade has been more militant. The part-time agent is still needed in rural areas.

It is estimated there are 39,000 brokers writing life insurance and perhaps a close analysis would show an increase in this class. Those producing life insurance are full-time insurance people. They sell all kinds of insurance and devote all their efforts to it. The brokers are increasing in such cities as New York City, Chicago, St. Louis and San Francisco. While many companies decry the sale of life insurance by the brokers, yet being in the insurance business as an all-time vocation, their service is much more intelligent and helpful than the butcher, the baker, the candlestick maker, whose mind is not centered on insurance.

In connection with the Institute's analysis, it is interesting to note the statement of J. W. Barrett, retiring president Cleveland Insurance Board, to the effect that there has been a material drop in number of agents licensed in Ohio, approximately 40 percent of those taking the examination failing to qualify. Ohio has taken a forward step in its standard of qualification. Its examinations are not exacting, but while in a sense elementary, they have kept hundreds out of insurance soliciting.

### Lin Yutang's Wholesome View

LIN YUTANG, Chinese savant, writer and philosopher, has written a number of books that have impressed their readers. He has a fine picture of life and its various associations. In his recent book, "With Love and Irony," he makes this statement: "True progress of civilization must be measured by the availability of increased knowledge and its benefit to the common man."

He naturally was speaking of general knowledge and culture and did not have in mind business with its various ramifications. However, this same sentiment can be well used in the realm of

insurance. Perhaps in some respects insurance thinking has been reactionary. However, in recent years it has been much more progressive. We need people who can think through and have something of the vision of the prophet. There are rapid changes these days. Insurance has become far more complex than it was even 15 years ago. There are problems of great moment at hand. In the solution of all these questions insurance should keep in mind the well being of the common man. After all that should be the object of business, viz., to meet the needs of the people.

### Stocks Have No Maturity Dates

IN HIS extremely valuable paper on the outlook for life company investments, Dr. Thatcher C. Jones of New York University school of business made the observation that life companies have a tendency to hang on to their investments too long after they have depreciated. He conceded that the thinness of the market often makes this course unavoidable, but said that a

more realistic attitude would be to admit at an early date that an error was made and to take the loss without hesitation. Dr. Jones' statement illustrates an additional good reason why life companies should stick to bonds or other dollar obligations rather than going into the field of common stocks and why, because of the magnitude of its operations, a life company cannot figure on getting

rid of its investments if they begin to look dubious but must be as certain as possible that it is right when it buys.

Where a company has a sizable block of bonds in a particular enterprise it cannot possibly let go of more than a trifling percentage of them without so seriously disturbing the market that it could dispose of the rest of its holdings in this security only at a prohibitive loss.

Usually the reason that a bond, previously thought excellent or at least good, goes down in value is that some extremely shrewd investors have found out about certain conditions that cause them to dispose of their holdings. Operating on a relatively small scale, as compared with an insurance company, these investors do not break the market but

they do have an appreciable influence.

A life company lacks the ready mobility of these operators but is satisfied with smaller profits and can afford to hold out until maturity. With stocks, however, there is no maturity. If a stock goes sour—which may happen much more readily than with bonds—the holder cannot look forward to any date at which he can expect to be paid off at par or else have the issuing corporation declared insolvent. Thus, among the other desirable features, such as steadiness of income, which a purchaser would sacrifice by buying common stocks instead of bonds, a life company would lose its advantage of being able to wait patiently for a bond's maturity date and a 100 percent payoff.

## PERSONAL SIDE OF THE BUSINESS

**F. A. G. Merrill**, general agent emeritus in Buffalo, N. Y., for State Mutual Life and dean of the company's underwriters, was honored by associates and friends at a luncheon. Stephen Ireland, vice-president and superintendent of agencies, and R. H. Denny, director of agencies, attended with John Pennington, newly appointed Buffalo general agent.

Mr. Merrill went to Buffalo 38 years ago after 12 years of experience in life insurance in Cleveland. He was first president of the Buffalo Life Underwriters Association and vice-president of the New York State Association of Life Underwriters. He is a past president of the General Agents' Association of State Mutual.

**H. T. Dobbs, Sr.**, first vice-president of the Industrial Life & Health of Atlanta and president of the Industrial Insurers Conference, is sponsor for 1941-42 of the junior class of the Atlanta Girls' High School. In the class election Mr. Dobbs defeated Governor Eugene Talmadge of Georgia, President Mike Benton of the Southeastern Fair Association, an Atlanta radio team and others.

**Peyton W. Jones**, secretary-treasurer of Bankers Health & Life of Macon, Ga., and Mrs. Jones announce the marriage of their daughter, Frances Elizabeth, to Lieut. Lemuel J. Clark. Mr. Jones is a past president of the Industrial Insurers Conference.

**Brig. Gen. Amos Thomas**, president of National Progressive Life of Omaha, has been relieved of his command at Fort Robinson, and may resume his duties as a member of the Nebraska legislature. He has almost reached retirement age. General Thomas was an officer in the A. E. F. in 1917, and after the armistice organized and presided over military courts in occupied Germany.

**K. W. Yancey**, former Richmond general agent of New England Mutual Life, is now an inspector for the work-hour division of the U. S. Department of Labor with headquarters in Richmond.

**T. I. Parkinson**, president Equitable Society, will address the Columbus (O.) chamber of commerce at its annual

meeting May 20. Claris Adams, president Ohio State Life, will be toastmaster.

**A. R. Hustad** of the White & Odell agency of Northwestern National Life, is a member of the committee of 100 business men that is promoting the Minneapolis summer festival known as the "Aquatennial" July 12-20.

**Lyman Baldwin**, assistant superintendent of agents of Union Mutual Life of Maine, and Bernita Hedrick of Chicago were married at the home of the bride's sister in Chicago. They are in New York on a wedding trip. Among the members of the wedding party were W. Lee Baldwin, president of Security Life & Accident of Denver, an uncle of the bridegroom, and F. Burr Betts, secretary and treasurer of Security Life & Accident, and Bert McGee, supervisor for that company. Lyman Baldwin and Messrs. Betts and McGee were schoolmates.

**S. R. Angell**, superintendent of American National, Albuquerque, N. M., has been elected state commander of Disabled American World War Veterans.

**President Alfred MacArthur** of Central Life of Illinois returned this week from a three weeks stay in Florida.

**H. R. Kendall**, chairman of the board of the Washington National of Evanston, Ill., who has been off the reservation for a year or so owing to a severe affliction of his eyes, is now able to go to his office and spend two hours there each day. He was in Florida during the winter.

**J. F. Ruehlmann**, vice-president Western & Southern Life, Cincinnati, was elected a trustee of Heidelberg College, Tiffin, O., for a four-year term at the annual session of the southwest Ohio synod of the Evangelical and Reformed Church in Dayton.

**Morris McCready**, Wichita general agent Massachusetts Mutual Life, was elected president of the Wichita Metro Club.

**J. C. Bristow**, Richmond general agent Home Life of New York, was host over the week-end to J. M. Holcombe, Jr., manager Sales Research Bureau; George E. Lackey, Detroit, gen-

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## COMPANIES

### Work Starts Soon on Columbus Mutual Handsome Home

COLUMBUS, O.—Work will begin soon on the handsome \$400,000, four story Indiana limestone building of Columbus Mutual Life at the southeast corner of Broad and Sixth streets. The style is modernized classic. The struc-



DANFORTH E. BALL

ture, 140 feet front and 100 feet in depth, is to be set back 50 feet from Broad street and 15 feet from Sixth street.

Front and sides are to be made distinctive by large glass blocks, separated vertically by pilasters and horizontally by cast aluminum spandrels. Glass and bronze will be used extensively in the imposing entrance, 27 feet high, approached by a wide flight of steps, flanked by two bronze and glass electric light fixtures. At the top the name of the company is to be lettered in bronze.

While the structure will not appear ultra modern, it will have ultra modern features, including complete air-conditioning, fluorescent lighting and automatic elevator.

The building was designed to provide for the expanding needs of Columbus Mutual by Richards, McCarty & Bulford, architects.

Danforth E. Ball, president, when a boy lived in East Broad street, and witnessed the construction at 580, across the street, of the Firestone residence property, in which the company has maintained its offices since 1914; he graduated from Central High School, which until a few years ago occupied the Broad and Sixth streets site.

The company in 1941 is celebrating its third of a century anniversary. Insurance in force totals \$142,000,000; assets \$38,000,000; surplus \$3,000,000. During the last 10 years the assets and surplus have doubled. To policyholders and beneficiaries the company has paid during 33 years more than \$40,000,000, including \$11,000,000 in policy dividends. Its annual income is approximately \$7,500,000.

Other officers are: C. W. Brandon, president emeritus; Carl Mitcheltree, vice-president and secretary; C. R. Backus, treasurer; Donald J. Hoskins, counsel; Dr. Walter A. Jaquith, medical director; Barnitz G. Ball, assistant treasurer; Samuel M. Michener, actuary; Harold C. Higdon, assistant secretary.

Frank L. Matthaeus has the general contract for the building.

#### Wants Trustee for Collections

LINCOLN, NEB.—The Nebraska department has asked the district court

general agent Massachusetts Mutual, and Vernon Holleman, Home Life, general agent in Washington, D. C., who were in Virginia on a sight-seeing tour. They were entertained by Mr. Bristow at a shad bake.

Miss Margaret Ann Mulock, daughter of E. H. Mulock, president Central Life of Des Moines, was married to Thomas M. Bannister, son of a Des Moines attorney, in Des Moines.

P. B. Turner, Kansas City general agent of Home Life, has been named general chairman of the campaign to raise \$74,000 in Kansas City for development of recreational facilities for soldiers, sailors and defense workers.

## DEATHS

G. H. Tomlinson, 62, field auditor for the Indiana department, died from a heart attack in Pittsburgh, while riding in an automobile with his wife. As he collapsed, the car struck two parked automobiles. He had been with the department 15 years.

C. V. Holmes of Oklahoma City, 58, died there after an illness of six weeks. He started in life insurance eight years ago with the Oklahoma City agency of General American Life and he had been one of its substantial producers. His son, Vernon C., special agent of General American, will take over his father's business.

L. J. Eldridge, formerly general agent of Connecticut General in northern Vermont and later state manager of Security Mutual Life in New Hampshire, died at his home in Concord, N. H. He retired in 1923.

Jack Savlan, Minneapolis manager of Prudential from 1924 to 1936, who retired then due to a heart attack, died at his home in Los Angeles, where he had lived for three years. Mr. Savlan was an outstanding producer and manager. Twenty years ago he was a consistent million dollar agent when it was uncommon to write a million in a year. He started with the Prudential as an agent at Minneapolis in 1919 and for five years was that company's leading agent in this country. A. Van Goldman, manager La Salle ordinary agency, Chicago, flew to Los Angeles to attend the funeral. Mr. Goldman was assistant manager at Minneapolis under Mr. Savlan.

Following her husband in death after just a few weeks, Mrs. Mary L. Newton Gray died at the age of 79. Her husband was Edward Gray, retired vice-president of Prudential. A son is Albert E. N. Gray, secretary of Prudential.

George J. Doyle, 75, special agent for New York Life, Cincinnati, died after a short illness following injuries received in an automobile accident. Mr. Doyle had been associated with the company 45 years and a senior Nylic 25 years. He was consistently a member of the company's production clubs the entire period he was in the business.

#### Peoria Life Hearing Delayed

The hearing on the final report of C. V. O'Hern as receiver for Peoria Life has been continued by Circuit Judge Daily at Peoria until June 23. The delay was granted because certain former agents have requested a rehearing of the recent state supreme court decision holding in favor of the receiver that former agents are not entitled to renewal commission after the receivership.

#### Penn Mutual Aids Drafted Agents

Penn Mutual Life will waive the normal contribution to the company's retirement fund of the agent called to service for the first year and double its own contribution during that period. This will enable the individual's retirement accumulations to go on uninterrupted. Over 91 percent of Penn Mutual's full time agents have signed up for this contributory retirement plan for field forces, recently adopted.

## The UNION CENTRAL BULLETIN BOARD



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**U.C. AGENTS ARE GOING  
TO TOWN WITH  
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**... BACKED BY NEW SALES AIDS  
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UNION CENTRAL'S 75<sup>TH</sup>  
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**BOY! IT SURE PAYS TO  
WORK FOR AN OUTFIT LIKE  
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ALWAYS FIGURING OUT  
NEW WAYS FOR US TO  
MAKE MORE MONEY!**



**The UNION CENTRAL LIFE INSURANCE CO.**  
CINCINNATI, OHIO

for the appointment of a trustee to take over the \$25,000 assets of the First American Life of Lincoln, in liquidation, and attempt to make collections. The department's efforts to contact makers of notes have been futile.

#### Gains for Old Line Life

President John E. Reilly of the Old Line Life of America reported at the quarterly directors' meeting that in the first quarter of 1941 life insurance in force increased to \$83,079,032. New paid life business increased 2.5 percent, and accident and health premiums showed a marked increase. There was a decrease in terminations.

Admitted assets rose to \$23,640,578, an all time high, and surplus increased to \$798,504. Operating income was \$1,047,948, an increase of \$142,621 over the first quarter last year. Disbursements were \$830,755. Payments to policyowners and beneficiaries totaled \$430,581, while taxes and license fees amounted to \$57,107.

#### Gillespie Back in Illinois

W. W. Gillespie, field supervisor of Mutual Trust Life, who has been stationed for several years at Seattle, has been transferred in charge of the Illinois territory with headquarters in the home office at Chicago. He succeeds Paul S. Nelson, who is Minnesota manager at Minneapolis and field supervisor in that territory. Mr. Gillespie formerly was associated with the home office agency.

#### Retire Veteran in Home Office

Miss Mollie Shreve, agency correspondent in the home office of Lincoln National Life, has retired from active duty, after 30 years service. She became the third home office employee to retire under the company's retirement plan for home office people. No agents have retired as yet under the retirement plan for agents.

Miss Shreve joined the company in 1911 as secretary to W. T. Shepard, who is now general agent in southern California but was at that time manager of agencies. She and Mr. Shepard were the only members of the home office agency department. The company was then only six years old.

On her last day at the office, Miss Shreve was presented an orchid corsage and a wrist watch by her fellow workers.

#### Postal L. & C. Boosts Capital

KANSAS CITY—The Postal Life & Casualty has transferred \$100,000 from surplus to capital, to make the capital \$200,000. Total capital and surplus are \$327,094, according to its financial statement March 31.

#### Jarnagin Joins Bankers, Iowa

Robert A. Jarnagin has joined the advertising department of Bankers Life of Des Moines. He is a graduate of the University of Iowa and formerly was with the Iowa Daily Press Association.

#### Dedication Ceremonies July 20

Continental American Life is holding dedication ceremonies of its new home office building in Wilmington, Del., July 20. One of the events will be a buffet luncheon.

W. T. McKay, treasurer of Bursley & Co., wholesale grocers of Fort Wayne, Ind., has been elected a director of Lincoln National Life filling a vacancy caused by the death of Frank K. Safford.

#### Fox River Valley Meeting

OSHKOSH, WIS.—The Wisconsin National Life was host to the monthly meeting of the Fox River Valley Insurance Club. Oscar Lichtenberg, treasurer Wisconsin National Life, led a discussion on "Current Investment Problems."

#### Clendenen to Home Life as Brokerage Manager

Irving H. Clendenen becomes brokerage manager of Home Life of New York in Chicago. He formerly was associate manager of the Insurance Ex-



IRVING H. CLENDENEN

change branch life department of Continental Assurance in Chicago, developing brokerage business.

He has had 10 years' life insurance experience, being associated for three years as a partner with Davies & Drummond, well-known insurance firm of Chicago, doing considerable work in the field of estates and taxes. Then he went with Continental Assurance in 1938. Mr. Clendenen is 35 years of age.

#### Herrick with Continental

E. J. Herrick has been appointed field supervisor for the Chicago branch office of the Continental Assurance. He entered the insurance business in 1921 as a personal producer for the Equitable Society. In 1933 he became associated with the Provident Mutual Life, working with the Ewing agency in Chicago as a personal producer, where he specialized in business insurance, salary savings insurance, and programming. He is also familiar with general casualty lines, which makes his association with the Continental companies especially valuable to producers of that organization.

#### Life Manager for Hawaiian Firm

Nat S. Vial has been named manager of the life department of T. H. Davis & Co., Ltd. of Honolulu, representatives in the Hawaiian and Philippine Islands for Lincoln National Life.

Mr. Vial was formerly manager of the life department of Home Insurance Company of Hawaii, representative for New England Mutual and California-Western States Life. Previously he had been engaged in life insurance in Los Angeles.

Mr. Vial is a graduate of the University of Illinois and is a C. L. U. Prior to entering life insurance he was a member of the faculty at the University of Illinois and at the University of Iowa.

Loyal Protective Life has appointed F. H. McCall as general agent for Connecticut. Mr. McCall will make his headquarters in Hartford.

The agency force of the Newark office of the Home Life of New York, of which Lester Horton is general agent, will be guests of Mr. Horton June 2 at the Metuchen Country Club for the agency's annual "fun-day."

## LIFE AGENCY CHANGES

#### Palumbo Agency Organizer for Heifetz of Mutual, N. Y.

Frank A. Palumbo, agency organizer of the Macken agency of Mutual Life

of New York, stationed at Kankakee, Ill., for about seven years, has been transferred as agency organizer to the Samuel Heifetz agency in Chicago of Mutual Life. In this post he succeeds William H. Dunkak, who went to Portland, Ore., with the Phil Grossmayer Co., general insurance agency in charge of its life department. Mr. Palumbo is membership chairman of the Illinois Association of Life Underwriters and immediate past president Kankakee County association. He entered life insurance with the Mutual in 1933 as an agent at Hinsdale, Ill., when C. L. Coyner was manager of the agency now directed by Joseph B. Macken. Mr. Coyner appointed him supervisory assistant in Chicago in 1934 and agency organizer in 1939.

Mr. Palumbo while a student at Illinois University taught swimming to freshmen classes and later was swimming director of the Hinsdale Club and Hinsdale Country Club. He received a degree in architecture from Illinois University. He has been for several years a life saving examiner of the American Red Cross.

#### Dunkak Goes to Portland

William H. Dunkak, agency organizer of the Heifetz agency of Mutual Life of New York in Chicago, has resigned and gone with the Phil Grossmayer Company general agency of Portland, Ore., in charge of its life department, which is general agent of the Travelers. Mr. Dunkak formerly was in the insurance business at Lincoln, Neb., and was connected with Travelers as manager of its south side Chicago branch office before going with Mr. Heifetz. His wife's parents, who are retired, live in Portland.

#### John Hancock Shifts Managers

John Hancock Mutual Life has appointed Charles W. Rosser district manager in Sioux City, Ia. Mr. Rosser was formerly assistant district manager in Detroit. He succeeds C. L. Tyre, who will continue with John Hancock in another capacity.

W. E. Bunter, formerly district manager in New Brunswick, N. J., has been appointed district manager of New York 2 office. He succeeds D. M. Joachim, resigned, who will continue with the John Hancock in another capacity. E. V. Mullaney, assistant manager at Bridgeport, Conn., takes the New Brunswick post.

#### Paul Wallace in Dallas Post

Paul A. Wallace has resigned as district manager of Equitable Society at Tulsa to join his brother, Travis T. Wallace, president of Great American Reserve of Dallas, to supervise agency expansion for that company.

#### Marsteller Leaves Business

William A. Marsteller, sales promotion manager of the Hughes general agency of Massachusetts Mutual Life in Chicago, has resigned to become advertising manager and handle sales promotion work for the Edward Valve Company of East Chicago, Ind. He has been in charge of promotion work for the Hughes agency for four years, having gone with the office when it was known

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## NEW YORK

## ELIAS KLEIN 40-YEAR MAN

Elias Klein, manager of the J. D. Bookstaver agency, general agent for Travelers in New York City, celebrated his 40th anniversary with the agency and with the company. He has been manager since the agency was formed in 1911. At that time he, the late Mr. Bookstaver and a clerk were the entire office staff. Today, the agency has grown so that it now occupies first position in the Travelers agency roster. Mr. Klein before going into the life end of the business had been for four years with Gold & Lockwood, a fire agency, where he did everything from counter work to adjusting losses and from writing policies in longhand to working on the map desk.

## WOMEN'S LEAGUE PARTY MAY 20

The League of Life Insurance Women will hold its annual tea and fashion show at the Hotel Ambassador May 20 from 4 to 6. It will be in honor of its president, Mrs. Helen Wolfsohn, Equitable Society. Mrs. Lillian L. Joseph, Home Life of New York, is chairman of arrangements.

in charge. Group men from Chicago, Milwaukee, St. Louis, Kansas City and Minneapolis attended. A district managers conference will be held at the Edgewater Beach Hotel, May 19-20, with T. W. Cole, assistant superintendent of agents, presiding and other officials on from the home office. About 20 district managers are expected to attend.

## Central Life Agents Confer

STOUGHTON, WIS.—A sectional meeting of agents of the Central Life of Iowa in southern Wisconsin was held here, with A. E. Osterheld, Stoughton general agent, in charge. C. M. Kremer, Madison manager, conducted the sales conference.

## Colonial Life Convention Set

The 1941 convention of the Colonial Life of Jersey City will be held at the Hotel President, Atlantic City, Sept. 17-19.

Special recognition will be given to the first three agents, two assistants and manager who qualify for convention attendance.

Subscribe now to **Accident & Health Review**, \$2. 175 W. Jackson Blvd., Chicago.



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Logical, isn't it? To sell more, have more to offer, and reach more at the very source of their income. In over 500 firms, The Minnesota Mutual's attractive Pay-Roll Deduction Plan is providing all types of insurance, including complete family protection, for all employees. It is a convenient workable program involving practically no expense to the employer.

Check these additional selling advantages now being enjoyed by our Field Force:

1. A liberal agency contract
2. A plan for financing your agency
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5. A liberal financing plan for your agents
6. A unique supervisory system
7. Organized Selling Plan
8. Unusually effective selling equipment
9. Policies for every purpose: Regular — Family — Juvenile—Women—Group—Payroll-Savings, etc.
10. Low monthly premiums

A \$240,000,000 Mutual Company, 61 years old, with an understanding, cooperative Home Office

## THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul, Minnesota

Bokum & Dingle and continuing under E. W. Hughes when he took over.

## Housh Assistant to Hedges

H. A. Hedges, Kansas City general agent of Equitable Life of Iowa, has appointed Roy D. Housh, assistant manager. Mr. Housh has been with the agency since 1926, has won many honors, company and agency, and has been a member of the Agency Production Club every year since he started in life insurance. His record for persistency is outstanding, over 95 percent of his business renewing in 1940. Last year 54.5 percent of his new business was secured from old policyholders.

## Abernathy Named at Ottumwa

Occidental Life of California has appointed Walter F. Abernathy general agent in Ottumwa, Ia. A native Iowan, he has had more than 10 years' experience with the ratebook, first as agent, later as general agent.

He entered life insurance following world war service as an agent of

Equitable Society, later was advanced to district manager. In 1926 he entered the automobile business and continued in that work until 1933, when he again took up the ratebook. He was general agent in Ottumwa for Central Life of Iowa immediately before joining Occidental.

## Sittler Now Agency Organizer

A. F. Haas, manager of the Pittsburgh agency of Mutual Life, has appointed Edward L. Sittler, Jr., as agency organizer. Mr. Sittler graduated from Brown University and was awarded the C. L. U. degree in 1940. He has been a most successful personal producer.

## R. L. Hawley Joins Midland Mutual

R. L. Hawley of Toledo has been appointed special agent of the Hanford Bergman agency of Midland Mutual Life. He has had 12 years of experience, and previously was assistant cashier in Toledo of Equitable Society. Previously he was in the business at Syracuse, N. Y. He attended Syracuse University.

## LIFE SALES MEETINGS

Mutual Trust Holding  
Several Regionals

Mutual Trust Life is holding a series of agency meetings in the middlewest which are being attended by A. B. Slatengren and Raymond Olson, vice-presidents, and H. Allen Newhart, agency secretary. The purpose is to show and explain the new family income folder which was brought out a month ago and field tested intensively since, and also the "Social Security Determinator," an auditing and programming device which is accompanied by an unique booklet prepared by Mutual Trust.

The first meeting was held at Appleton, Wis., at which also was present Stacy Merchant, field supervisor. Then followed a meeting at Minneapolis with Paul S. Nelson, manager Minnesota office and field supervisor in that section in attendance; Rockford, Ill., where W. W. Gillespie, field supervisor at Seattle for some time, was in attendance, and Chicago, Thursday, with R. H. Wienecke of the home office agency department also present. A final meeting will be held at Toledo May 10 which will be attended by the three home office officials and also Dave Dawson from the home office, supervisor for Michigan, Ohio and Indiana.

Hollis E. Beckman, Rockford general agent, was host there.

## Two N. Y. Life Agencies Hold Rally

The Worcester, Mass., and Providence, R. I., branch offices of New York Life held a combined meeting at Uxbridge, Mass. Seven members of each branch office presented personal sales talks. Special guests were F. B. Sum-

mers, inspector of agencies of the northeastern department, and I. S. Kibrick, agency assistant.

The April contest between the two branches on written business was won by Worcester.

Talks were given also by Samuel Soforenko, Top Club member of the Providence branch, and by Agency Directors G. E. Awde and P. A. Norton.

## Witherspoon at B.M.A. Rally

John A. Witherspoon, general agent John Hancock Mutual, Nashville, vice-president National Association of Life Underwriters, addressed a Kentucky-Tennessee conference of the Business Men's Assurance in Nashville, with 50 representatives present.

Speaking on "What Makes Them Buy," Mr. Witherspoon declared himself a great believer in programming, estate work, taxation selling and that type of professional selling, but said he believes the greater part of the \$111,000,000,000 in force "was bought because some man loved some woman and some child" and that "life insurance is the only institution that can give men happiness on a guaranteed basis." He gave many illustrations of the use of motivation in selling life insurance.

President W. T. Grant spoke at the business session. N. B. Moates, Tennessee manager, had charge of arrangements.

## Western &amp; Southern Regionals

CINCINNATI—Western & Southern Life will hold a series of regional conventions during the early summer and fall starting at Pittsburgh May 10. Following this, meetings will be at Columbus, May 24; Cleveland, June 14; Detroit, June 21; Cincinnati, June 28; Indianapolis, Sept. 6; Chicago, Sept. 27, and home office legion, Cincinnati, Oct. 25. C. F. Williams, president, will be in charge of the meetings.

## New York Life N. M. Meeting

ALBUQUERQUE, N. M. — New York Life agents from New Mexico met here with Fred A. Wickett, vice-president, San Francisco; Dick Oliver, assistant vice-president, St. Louis; Clark Bell, inspector of agencies, Los Angeles.

Arthur Sisk, Albuquerque, director of agencies for New Mexico, and his agency staff were hosts. Guests at the luncheon included Insurance Superintendent Apodaca, and State Representative J. O. Richardson.

## Two Travelers Conferences

Travelers held a regional group conference in Chicago Wednesday and Thursday, with Carl S. Ayres, superintendent of group sales at the home office,

## EXECUTIVE WANTED

For industrial life insurance company, which has been operating a short time and is amply financed, who has had some experience in underwriting; understanding knowledge of rates; experience or practical knowledge of office management; ability to determine costs, both of home office and production costs; sales experience, understanding the problems of production and to be able to produce; ability to handle and select employees; capacity of organization; ability to make an instructive and informative talk; a person who is economical and saves his money; age not over forty; he of course would be married, settled and of good habits. A position and salary commensurate is waiting for the right party. Replies treated confidential. Answer the above implied questions in detail as all general replies will be discarded. Address N-36, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

other members of the committee being Miss Dorothy Boond, New York Life, co-chairman; Miss Juliette Sternfeld, Home Life of New York; Mrs. Dorothy Briggs, National Life of Vermont; Mrs. Marion Ives, Mutual Life; and Miss Mildred Stone, Mutual Benefit Life.

The league will make a donation to the British civilian war relief.

#### KNIGHT AGENCY GAINS IN APRIL

The Charles B. Knight agency of Union Central Life in New York City paid for \$1,361,883 in April as against \$1,127,981 for April 1940.

#### FRASER AGENCY GAINS

The Fraser agency of Connecticut Mutual Life in New York City has shown a gain for three of the first four months of 1941. Total paid business for April was \$701,780 as against \$642,315 for April, 1940.

#### EISENDRATH AGENCY OPEN HOUSE

The Julius M. Eisendrath agency of Guardian Life, New York City, held open house in its new and enlarged offices in the Empire State building. The agency has been housed in the building since 1933, this being the second time the need for larger space has necessitated a move. The new offices are of modern decoration and furnishings. The layout is planned for more efficient working conditions and to offer better service to customers and brokers.

Mr. Eisendrath opened the agency eight years ago and since that time has been consistently in first or second position on the company roster. There are 31 full time men and last year the average case was in excess of \$6,000. For the first four months of 1941 the agency shows an increase of 30 percent over the same period in 1940. George L. Bobbe is Mr. Eisendrath's assistant in charge of production.

Mr. Eisendrath started in the business in Minneapolis more than 23 years ago. He has been in New York since 1928, and in this first year in spite of arriving in the city cold paid for more than \$1,000,000. He is one of the top producing general agents in the country.

#### INSURANCE SOCIETY NOMINATIONS

A. G. Borden, second vice-president of Equitable Society, and J. J. King, president of Hooper-Holmes Bureau, have been nominated for new directors of the Insurance Society of New York. The annual meeting is May 20. The other candidates for office are all fire and casualty men.

#### F. L. JONES ADDRESSES C.L.U.

It will be "just too bad" if "the citizens of this country don't awaken in time to see that life insurance, the one democracy to which they belong, is kept free of government interference, Frank L. Jones, vice-president of Equitable Society, told the New York City chapter of C.L.U. The institution of life insurance is far ahead of even the best type of government in attaining the practical realization of justice and equality, Mr. Jones said, and cited a number of points to prove his contention. Plans were announced for the sales meeting and banquet to be held in connection with the chapter's tenth anniversary.

#### ROONEY GUARDIAN MANAGER

Jerome A. Rooney has been appointed manager of the Guardian Life agency in the Graybar building, New York. This appointment follows dissolution of the partnership of Birnbaum & Rooney under whose direction the agency was established a little over three years ago and the resignation of Leo J. Birnbaum and Mr. Rooney as co-managers.

#### Nebraska Salary Bill Signed

LINCOLN, NEB.—Governor Griswold has signed the bill increasing the salary of state insurance director from \$3,200 to \$4,500 a year.

## NEWS OF LIFE ASSOCIATIONS

### Headliners for Texas Convention

Program for the annual convention and sales congress of the Texas Association of Life Underwriters at Beaumont June 2-4 has been completed.

Committee meetings the first morning will be followed by the general agents and managers section that afternoon, with Felix Hargis, Jefferson Standard Life, Fort Worth, chairman. The talk of A. R. Jaqua, Diamond Life Bulletins, will be followed by a "sales hour" at which Ben Williams, sales director Southwestern Life of Dallas, will preside. There will be an "information, please" quiz, then a business meeting of general agents and managers. The same afternoon the Texas leaders' round table will be held.

Grant Taggart, Cowley, Wyo., will talk on "Sales Philosophy from the Wide Open Spaces" at the banquet the first evening.

Jack Foster, Amicable Life, San Antonio, will preside at the sales congress the second morning, when Irvin Bendiner, Philadelphia, and Dr. R. L. Sutherland of the University of Texas will speak. A luncheon will honor past presidents of the association.

Hubert Little, Equitable Society, president Beaumont association, will preside at the afternoon session. Addresses will be made by George Van Fleet, actuary, Texas insurance department; E. B. Stevenson, Jr., vice-president National Life & Accident; and Louis Behr, Equitable Society, Chicago. The annual banquet honoring members of the Texas leaders' round table will be given that night.

The last day, a business session under Jul B. Baumann, Houston, president Texas association, will precede the closing talk by H. T. Wright, Equitable Society, Chicago, president National association.

### Tennessee Congress Has Good Bill at Chattanooga

The annual sales congress of the Tennessee Life Underwriters' association at Chattanooga May 9 is expected to attract 400. Besides the talks, a feature of the meeting is a luncheon by the three local companies, Provident Life & Accident, Interstate Life & Accident and Volunteer State Life.

Besides H. T. Wright, Chicago, president National Association of Life Underwriters, speakers include Commissioner McCormack, Louis Behr, Equitable Society, Chicago; Powell Stamper, sales promotion manager of National Life & Accident, Nashville; A. T. Haley, general agent Massachusetts Life, Greensboro, N. C., and Terry Archer, National Life & Accident, Chattanooga, president Tennessee association.

H. H. Mansfield, of Massachusetts Mutual, is president of the Chattanooga association, host to the congress. E. E. Brown, general agent Penn Mutual, Chattanooga, is chairman of the program committee.

### H. H. Winn Chosen President of San Antonio Association

SAN ANTONIO, TEX.—New officers elected by the San Antonio Life Underwriters Association are: Harlan H. Winn, Travelers, president; O. L. Butler, Connecticut Mutual Life, vice-president; Bruce Parker, California-Western States Life, secretary; J. I. Jordan, Amicable Life, treasurer. New directors are Harry Wise, Equitable Society; D. J. Farrell, Pacific Mutual Life; G. V. Jackson, Lincoln National Life, and M. A. Ryan, Southwestern Life.

A panel discussion was conducted on "How to Get Quick Service on Your Life Inspections." The problem of the

inspector was presented by R. W. Sinz, manager, and Walter Schutze, assistant manager Retail Credit Company. G. A. Helland, Connecticut Mutual Life general agent, developed the problem of the agent. It was brought out that both the company medical department and the inspection bureau are anxious that business be issued in all cases where the issuance can be justified.

A quiz on the by-laws of the association was held and a silver dollar awarded each agent answering his question correctly. When an incorrect answer was given, the dollar was given to the Boys' Club.

The June meeting will be designated as industrial week and the speaker will be H. B. Wernette, National Life & Accident, Corpus Christi, Tex.

### Program for Washington, Baltimore Joint Congress

WASHINGTON—The annual joint Washington-Baltimore sales congress at Wardman Park hotel here May 16 will offer practical material for use by the average agent. R. A. DuFour, general agent Pacific Mutual, is congress chairman working under direction of J. D. Marsh, president Washington Life Underwriters Association. The congress is sponsored by the life underwriters' associations of the two cities.

The program will be conducted by the Life Insurance Sales Research Bureau, with Manager J. M. Holcombe, Jr., in charge, assisted by B. N. Woodson, director of service.

Speakers include B. B. Bane, director of registration for Securities & Exchange Commission, and C. C. Day, Oklahoma manager for Pacific Mutual.

Attendance of 750 is expected, including agents from Cumberland, Hagerstown, Frederick and other nearby points.

### Minn. Short Course in October

MINNEAPOLIS—W. W. Scott, Lincoln National Life, president Minneapolis Association of Life Underwriters, announced at a meeting that the University of Minnesota, in cooperation with Minnesota Association of Life Underwriters and the National association, will offer a week's course for northwest life underwriters beginning Oct. 27. In addition to covering the fundamental principles of underwriting, the course will endeavor to provide help with everyday problems met by the agent. The course will be held on the university campus, taught by university faculty members.

### Karl Madden Outlines Good Selling

Good selling is based on common-sense rules with a dash of showmanship, the Minneapolis association was told by Karl Madden, former general agent Penn Mutual, Davenport, and former trustee of the National association. He is now vice-president of the Iowa Fibre Box Co. Mr. Madden illustrated his points with examples of successful sales he made while in life insurance. These ranged from a \$2,000 sale made to a grocer who was induced to grant time for an interview only after Mr. Madden had swept out his store for him, to a \$400,000 case in which the buyer's need was illustrated by a vivid human interest story.

### Two Indianapolis Talks by Wright

INDIANAPOLIS—H. T. Wright, Chicago, president National Association of Life Underwriters, talked at two meetings here. Cooperating on the luncheon sponsored by the Indianapolis Association of Life Underwriters were the Indianapolis General Agents & Managers Association, Indianapolis C.L.U., Indiana State Association of Life Underwriters, and Association of Indiana Legal Reserve Life Companies. O. D. Pritchard presided.

The 15 local member associations of

### Life Payments Section to Be Issued Next Week

Copies of the annual Life Payments Localized section of THE NATIONAL UNDERWRITER will be included in next week's issue. Advance news releases are being sent to 4,000 daily and weekly newspapers so they can publish the details of the 1940 payments on May 11 the same day the issue is received by subscribers. Life underwriters association officers and others who have contacts with their local newspaper editors can assist in getting this beneficial publicity by telephoning editors on Wednesday or Thursday, reminding them of the importance of this news story.

the Indiana State Association gave Mr. Wright a dinner in the evening. H. L. Rogers, state association president, was in charge.

### Griffith Youngest Columbus Head

Charles W. Griffith of John Hancock Mutual, was elected president of the Columbus (O.) Life Underwriters Association by the trustees. He is the youngest man ever to be elected to the presidency.

Clifford D. Wharff, New England Mutual, is vice-president; Fly D. Miller, Provident Mutual Life, secretary; J. Boyd Davis, Penn Mutual Life, treasurer.

New trustees are: Dan D. Fulmer, William H. McGrath, and John C. Winter. Paul M. Smith continues as national committeeman as does Robert K. Zimmer as Ohio association delegate. The retiring president is E. J. Staton.

### Speaks on Bills at Kalamazoo

Herbert Thompson, secretary and legislative counsel for the Michigan Association of Life Underwriters, explained to the Kalamazoo Association of Life Underwriters a bill before the state legislature which would limit interest rates on policy loans to 3 percent. He also treated another bill which would authorize trustees and guardians to invest trust funds in contracts of legal reserve life insurance companies. Ralph Richardson, vice-president of the association, presided.

### Prepare for Cedar Rapids Rally

Plans are now being perfected for the sales congress and convention of the Iowa Association of Life Underwriters at Cedar Rapids, June 6. One of the headline speakers will be Charles J. Zimmerman of Chicago, general agent of Connecticut Mutual Life, and past president of the National Association of Life Underwriters. "The Pursuit of Happiness" is the title of his talk.

### Lawrence N. J. Nominator

Howard C. Lawrence, Newark, general agent Lincoln National Life, has been appointed chairman of the nominating committee of the New Jersey State Association of Life Underwriters. The annual meeting will be held June 6.

Minneapolis—C. C. Day, general agent Pacific Mutual Life, Oklahoma City, spoke on "A Philosophy of Living."

Davenport, Ia.—The association is conducting a poll of its members by mail asking (1) Do you favor being placed under social security? (2) Do you prefer a company pension plan? (3) Do you have any entirely different idea on this subject?

The last regular meeting of the association for the year will be held Saturday, with J. H. Leaver, home office representative for Mutual Benefit in the middle west, speaking on "Psychic Dynamic." Joe Hilbe, general agent for Guardian Life, will present the slate of new candidates.

Oakland-East Bay, Cal.—H. A. Bedau, vice-president National Federation of Sales Executives and past president of the San Francisco Sales Managers Association, discussed "Salesmen—the Vital



May 9, 1941

Force of Free Enterprise" as opposed to government controlled and totalitarian endeavors.

**Buffalo**—Roderick Pirnie, general agent Massachusetts Mutual Life, Providence, R. I., will speak May 15 on "Life Insurance, the Backbone of the Estate." Eight directors will be elected. Nominees are: Cyrus Falconer, Provident Mutual; C. M. Sherman, Connecticut Mutual; H. W. Swain, Travelers; D. H. Taylor, Equitable Society; J. M. Cooke, New York Life; R. F. Coyer, Phoenix Mutual; E. E. Hickman, Aetna Life, and Earl Thomas, Northwestern Mutual.

**Washington, Pa.**—Edward L. Sittler, Jr., of Mutual Life in Pittsburgh addressed a supper meeting on "Answering the Three I's."

**Beaver Falls, Pa.**—George A. Smith, manager of the Hilltop office in Pittsburgh of Metropolitan Life, gave a talk on "Are You Coasting?"

**Butler, Pa.**—Robert R. Dodson, manager General American Life at Pittsburgh, discussed "Prospecting and Selling Minimum Programs."

**San Francisco**—Because of the success of a previous program presented by A. K. Deutsch, State Mutual Life, in which "average underwriters" were the principal speakers, a similar meeting is to be held May 15. Speakers will be E. H. Robinson, Aetna Life, on "Life Income for the Young Man"; C. C. Norman, John Hancock, "I Use Social Security in My Sales"; W. J. Lennox, New England Mutual, "Deadwood Pays," and A. K. Spielberger, Sun Life, "Selling Life Insurance in the Philippines."

Nels J. Nelson, manager Reliance Life, who heads the caravan committee, is preparing a program of speakers who will appear before various associations in this territory, including Oakland, Sacramento, Stockton, San Jose and Fresno.

**Richmond, Va.**—Spiller Hicks, Richmond general agent Provident Mutual Life, spoke at the April luncheon-meeting. Known for his skill in training agents, he told how he does this job. He lays stress on emotional appeal as well as knowledge of the business. The two, he said, go hand in hand. He illustrated his talk with diagrams which he uses and outlined a number of case histories.

**Oklahoma City**—About 85 underwriters attended the May meeting, when D. B. Maduro, counsel of the New York City association conducted a seminar discussion of tax problems and especially the effect the national situation may have on life insurance.

The night previous, Mr. Maduro was guest speaker at a meeting of the Oklahoma General Agents & Managers Club.

**Pittsburgh**—Manuel Camps, Jr., general agent John Hancock Mutual Life, New York City, will speak on "Prospecting" May 15.

**North Dakota**—H. J. Cummings, vice-president and superintendent of agencies of Minnesota Mutual Life, spoke on "Present Day Selling" at the spring banquet in Fargo. Several out-of-town delegations attended and Commissioner Erickson of North Dakota was an honored guest.

R. A. Trubey, president of the North Dakota association, presided, and J. P. Simpson was in charge of local arrangements.

**Cleveland**—Don Hansen, Aetna Life, spoke on "Prestige Building" to the supervisors group. At the women's group meeting, Miss Ethel, Equitable of Iowa, discussed current events surrounding the life insurance business.

**Chillicothe, O.**—Clariss Adams, president Ohio State Life, will speak to life underwriters May 22. In the evening he will address the fifth division of Ohio Kiwanis.

**Boston**—The annual meeting will be held June 12. President T. I. Parkinson of the Equitable Society will speak.

A Boston foursome won a two-way radio quiz contest with a Providence, R. I., quartet by a score of 163 to 150.

**Chicago**—The advisory council held its last meeting of the fiscal year, hearing a report on activities by Chairman George Huth, Provident Mutual; a special report on happenings during the year in connection with the state and federal unemployment compensation acts, by Frederick Gould, New England Mutual, co-chairman of the council, and a report on recent hearings on the Illinois unemployment compensation act by C. F. Axelson, Northwestern Mutual, member legislation committee.

**Easton, Pa.**—Charles C. Clabaugh, general supervisor of agencies of Maryland Life, gave a talk, "Salesmanship from

Different Angles." Mr. Clabaugh talked on the theory of selling for about 30 minutes and then conducted a demonstration of salesmanship.

**Topeka**—An "Evening of Fun" will be put on May 9 for members and ladies, cashiers, agency secretaries and home office employees. Pendleton A. Miller will lead the singing and there will be a talk by Judge W. A. Huxman.

**Portland, Ore.**—M. Albert Linton, president Provident Mutual Life and chairman of the board of the Institute of Life Insurance, addressed a joint meeting with the chamber of commerce. An overflow crowd of 500 attended to hear Mr. Linton talk on "How Good Is Life Insurance." Commissioner Thompson of Oregon also spoke.

**Columbia, S. C.**—The proposed bill for examination, regulation, supervision and licensing of agents was explained by Commissioner King.

Because of the fact that agents are a safeguard to the public and to the companies, Commissioner King said the bill should be passed. It would not be retroactive and would not increase the cost of the agents' fee, he pointed out.

John H. LaFitte, president of the South Carolina association, reported on the National association mid-year meeting in Wichita.

## POLICIES

### Pan-American Lowers Rates on Options and Annuities

On May 1 Pan-American Life changed from 3½ percent to 3 percent for all settlement options in new contracts and adopted annuity rates about half-way between the latest standard table and the table previously used by most companies.

The new settlement options are the same as those shown on page 699 of the 1941 Little Gem Life Chart under table 6, table 38 on page 700, and table 276 of page 716.

### Still Writes Single Premium Annuity

The company is one of the few that still write a contract of the single premium annuity type. It is called single premium savings and life annuity, has cash values at the end of the first year, and provides for a life income beginning at any age between 55 and 70, though basically written to mature at age 65. Under the new schedule a \$1,000 premium paid at age 35 will provide a cash value of \$2,233 at age 65 which will purchase an income at that time of \$13.55 a month for men and \$12.15 for women.

### R. L. Barbour Is Associate Editor of Insurance Field

Robert L. Barbour, eight years a successful producer in New York City for New York Life, has joined the "Insurance Field" as associate editor with headquarters in Louisville.

Mr. Barbour, son of R. P. Barbour, U. S. manager of Northern of London, has a wide acquaintanceship among both life and fire insurance men. Mr. Barbour is a vice-president of the Young Men's Board of Trade, New York, and

for two years was editor of its monthly magazine. He is also a vice-president of the New York State Junior Chamber of Commerce, and chairman of its committee on subversive activities.

During his eight years in life insurance work Mr. Barbour has published articles on salary savings and business insurance, and was at one time chairman of the publications and reports committee of the New York City Life Underwriters Association.

**Diamond Life Bulletins** increase sales. For details write 420 E. Fourth St., Cincinnati.

## FOR MEN OF GENERAL AGENCY CALIBER

We have territory open in Vermont, southern New Jersey, and Delaware.

Our combined Life and Non-Cancellable Accident contracts are valuable sales aids.

Write

**WILLIAM D. HALLER**

Vice-President and Agency Manager

## UNITED LIFE AND ACCIDENT Insurance Company

CONCORD, NEW HAMPSHIRE

No. 4

DIRECT MAIL PLANS

An American Mutual Life Sales Service

BUILDS SUCCESSFUL AGENTS

American Mutual Life Insurance Company

FOUNDED

IN 1897

Des Moines, Iowa

## AS SEEN FROM CHICAGO

### BARBER LEAVES BESSER AGENCY

R. W. Barber, associate general agent in the E. E. Besser general agency of Lincoln National Life in Chicago, has resigned to go out of the life insurance business. He has accepted a position with a manufacturing concern in Chicago. Mr. Barber's duties are being assumed by Emil Kuehn, Jr., office manager, who also takes charge of the brokerage business. Mr. Kuehn has been connected with the Besser office for seven years. Mr. Barber has been there 15 years.

### SPEAK TO LIFE SUPERVISORS

Paul M. Williams, Aetna Life; R. J. Murphy, Prudential, and R. D. Hinkle, Equitable Society, led a discussion on stimulation before the Life Agency Supervisors Club of Chicago. Mr. Williams covered bulletins, Mr. Murphy contents and Mr. Hinkle personal interviews.

### TEN OF 11 HILL MEN QUALIFY

Of the 11 men in the James G. Hill agency of Connecticut Mutual Life in Chicago, who were eligible for convention honors, all but one had qualified by May 1, which is the close of the company's year insofar as calculating convention attendance credits are concerned. Of the 10 qualifiers who will attend the convention in Quebec in June, three are in the quarter million dollar group and one is in the half million dollar club. In respect to paid for life business only, the production of the Hill agency in April was \$527,000. Mr. Hill has been in charge of the agency only since Jan. 15, 1940.

### SCHWEMM SPECIALLY HONORED

Earl M. Schwemm, Chicago manager Great-West Life, was given outstanding recognition by that company on his fifth anniversary, with the publishing of a pamphlet by the head office which was sent to all agents and brokers who have given the Chicago branch office business during the last five years. The cover bears a large likeness of Mr. Schwemm. On the second page is the company's greetings to him and a resume of his life insurance experience following graduation in 1927 from the University of Illinois, where he was president of the student council.

In his first two years in life insurance, Mr. Schwemm paid for more than \$700,000 and over the next four years while he was a supervisor he produced in excess of \$250,000 annually. He is a C.L.U., active in the Chicago Association of Life Underwriters, of which

he has been a director and chairman of several committees, and is past president Chicago chapter of C.L.U. and has been a director of the National Society of C.L.U. Mr. Schwemm took over the Great-West in 1936 when the office stood 11th in that company, and by the end of the year put it in seventh place and the next year third place. In 1938, 1939 and 1940, the Schwemm agency led the company in paid volume both in the United States and Canada.

Other pages of the folder are devoted to presenting Mr. Schwemm's assistants, the supervisors being R. C. Frasier and S. Sackheim, the brokerage department manager, Roy L. Simpson, group department manager, Gordon F. Cantelon, and agency cashier, J. J. Overend. In addition there are presented H. F. Bennyhoff, district manager at Decatur, Ill., and W. R. Ford, district manager at Hammond, Ind.

### CHICAGO CHORUS HOLDS CONCERT

The Chorus of Chicago Insurance Men will hold their annual concert on Thursday, May 14, at 8:15 p. m. in the Civic Theater, 11 N. Wacker Drive, Chicago. The chorus, which has won wide acclaim in the city, is directed by Wayne Howorth. The program planned is one of great variety and suited well to masculine voices and tickets are \$1. W. E. Loewe, Marsh & McLennan; H. F. McKeever, Pearl; Clinton Martens-Hughes, Chidley & Reynolds, and H. G. Miller, Hartford Accident, comprise the executive committee of the organization.

### LIFE TRUST COUNCIL DINNER

The Chicago Life Insurance & Trust Council will hold a fellowship dinner May 21 with a round table exchange of ideas on closer cooperation between insurance general agencies and trust officials of banks. H. K. Nickell, Connecticut General Life, is chairman, and Paul W. Cook, Mutual Benefit Life, program chairman.

## AGENCY NEWS

### Bryson Agency 34% Ahead

In an April drive for business in honor of V. B. Harris, superintendent of agencies of Sun Life for the central United States division, the Richmond, Va., agency, of which George T. Bryson is manager, was 34 percent above the corresponding period of last year. The di-

vision as a whole was 25 percent ahead. Mr. Harris personally congratulated Mr. Bryson on the fine showing of his agency. He was on his way back to the home office after a tour of the division, on which he visited Indianapolis, Cincinnati, Charleston, W. Va., and Richmond.

### England Is Volunteer State Leader

J. M. England, Dallas manager for Volunteer State Life, led his entire company in personal production for the first three months of 1941, and his agency led all agencies of the company for the same period.

### Greet Verink in New Post

Ellis D. Verink, who has just become manager Union Central Life in Lincoln, Neb., was the guest at a luncheon given by agency officials and with a number of policyholders as guests.

### Loomis in Indianapolis

James Lee Loomis, president of Connecticut Mutual, was the guest speaker at a recent meeting of the G. K. and C. C. Jones agency in Indianapolis. The agency gained 53.2 percent in new business for the first quarter.

Loyal Protective Life's spring get-together with general agents of the eastern states will take place in Boston May 7-10. On May 19-21 the supervisors and general agents of the central territory will meet in Chicago.

### Data on Armed Services in Aetna Life Folder

Widespread interest in military and naval affairs throughout the country has prompted Aetna Life companies to publish a folder, "Who's Who and What's What in the Army, Navy and Marine Corps." It shows location of larger training camps and naval and marine stations, insignia of army corps and divisions, uniforms of army, navy and marine corps personnel, regimental standards and insignia, and shoulder and sleeve identifications of rank for all branches of the services.

The Aetna folder is believed to be the first of its kind showing uniforms, decorations and insignia in actual colors. Supplies are being furnished Aetna agents for distribution among clients and prospects.

Paul M. Smith, general agent New England Mutual, addressed Columbus Accident & Health Association at its meeting Monday.



**COMMONWEALTH LIFE  
EXPANSION PROGRAM  
OFFERS BETTER INCOME  
POSSIBILITIES . . .**

**MARCH, 1941  
SETS NEW RECORD**

**18%  
INCREASE**

in production  
over any previ-  
ous month in  
*Commonwealth's*  
history.

**ATTRIBUTED  
largely to the  
Company's New  
and Aggressive  
AGENCY EX-  
PANSION  
PROGRAM.**

MORTON BOYD, Pres.

*Commonwealth Life*  
**INSURANCE COMPANY**  
HOME OFFICE - LOUISVILLE, KY.

### A Condensed Report of the Condition of the BENEFICIAL LIFE INSURANCE COMPANY, SALT LAKE CITY, UTAH as of December 31, 1940

The Company has assets of . . . \$15,984,964.96

Percent  
of total  
investment

5.76 Cash in Office and Banks . . . . .	\$ 920,856.29
18.01 U. S. Government Bonds . . . . .	2,879,513.49
17.14 State and Municipal Bonds . . . . .	2,740,253.92
.28 Foreign Bonds . . . . .	44,834.05
1.54 Railroad Bonds . . . . .	246,615.24
7.04 Public Utility Bonds . . . . .	1,125,124.31
1.38 Industrial Bonds . . . . .	221,115.77
.78 Stocks . . . . .	123,948.55
18.96 First Mortgage Loans and Contracts on City Properties . . . . .	3,030,245.71
6.73 First Mortgage Loans and Contracts on Farm Properties . . . . .	1,075,182.57
2.26 Home Office Building and other Real Estate . . . . .	361,131.73
16.86 Loans to Policyholders . . . . .	2,695,072.34
.72 Interest Due and Accrued . . . . .	114,436.01
2.54 Other Assets including Net Amount of Uncollected and Deferred Premiums . . . . .	406,634.98

It has liabilities of . . . \$13,944,551.67

Legal reserves on all poli- cies, annuities, and sup- plementary contracts in force . . . . .	\$12,911,921.59
Dividends declared and payable to policyholders . . . . .	222,533.52
Dividends and coupons ac- crued but left by policy- holders with Company to draw interest . . . . .	578,957.41
Amount necessary to pay death claims reported upon which proofs have not been completed . . . . .	54,823.36
Federal and State taxes for 1940 (est.) . . . . .	48,900.00
Accrued and current ac- counts and commissions . . . . .	22,713.89
Premiums and rents paid in advance, and un- earned interest . . . . .	104,701.90

The excess of assets over liabilities . . . \$ 2,040,413.29

This amount is comprised of

Capital . . . . .	\$250,000.00
Surplus . . . . .	890,413.29
Contingency reserve fund . . . . .	900,000.00



# LEGAL RESERVE FRATERNALS

## Texas Maccabees Elect Ruben Young Commander

Ruben Young of Dallas was elected Texas state commander of Maccabees at a great camp convention held in Dallas. T. B. Thompson and A. R. King of Dallas were elected auditors. E. M. Russell, Houston, was named lieutenant commander; Dr. L. F. Bland, Dallas, reelected medical examiner; A. W. Turner, Houston, active past commander, and Mrs. Ethel Russell, Fort Worth, chaplain.

C. L. Biggs, recorder, and J. E. Little, actuary and field director, were on hand from the head office in Detroit and spoke.

The North Texas District Association of Maccabees held a meeting with Mrs. Bessie Chambers, Denton, presiding, assisted by Mrs. Edward V. Wood, Dallas, vice-president. Mr. Little presided at a meeting of the field workers.

Mesdames Biggs and Little attended and with their husbands were honored at a tea.

Mrs. Jewell Wood, Dallas, was elected president of the North Texas association; Mrs. Lola Walker, Denton; Mrs. Florence Mallon, Dallas, and Mrs. Vera Taliaferro, Denton, vice-presidents; Mrs. Georgia Gilbert, Dallas, secretary, and Mrs. Maudie May, Dallas, treasurer.

## Samuels Elected to Head Oregon Congress

Grover A. Samuels, Independent Order of Foresters, was elected president of the Oregon State Fraternal Congress for a one-year term at the annual convention held in Portland. Julia V. Ward, Woman's Benefit, was elected first vice-president; Clara Wilson, Woodmen of the World, second vice-president; Jack Ashenfelter, A.O.U.W. of North Dakota, third vice-president, and George H. Weber, Maccabees, was reelected secretary-treasurer for his fourth consecutive term. Mrs. Minnie Hiner, grand guardian Neighbors of Woodcraft, takes the office of past president. Sessions were in the Neighbors of Woodcraft auditorium, with some 800 fraternalists attending.

Following the business session the new officers were installed at a ceremonial in which drill teams paraded. Mabel B. Baketel, Woodmen Circle, was installing officer.

Leslie M. Scott, Oregon state treasurer, gave a talk on fraternalism, stressing the relationship of democracy and fraternalism.

## Glaser Oklahoma Consul

J. J. Glaser, Alva, Okla., was named state consul of Modern Woodmen at the quadrennial state convention in Oklahoma City and Noah V. Watts, secretary. Delegates named to the national convention in June were R. F. Ball, Enid; G. A. Gaddis, Oklahoma City; S. T. Bernard, Ada, and C. L. Harrison, Wagoner.

## Observe Fraternal Life Week

MILWAUKEE — The Milwaukee Fraternal Life Underwriters Association sponsored a rally known as "Milwaukee Fraternal Life Day" in connection with Fraternal Life Insurance Week. Mayor Zeidler proclaimed the week and urged Milwaukeeans to "familiarize themselves with the fraternal movement in the nation, the state and the city."

## THE WOMAN'S BENEFIT ASSOCIATION

Founded 1893

A Legal Reserve Fraternal Benefit Society  
 Nina West Miller, President  
 Frances D. Partridge, Supreme Secretary  
 Port Huron, Michigan

## Miller Home Office Agency Manager of Society

C. L. ("Dad") Miller, veteran life man of Madison, Wis., well known in southern Wisconsin, has been appointed manager of the home office agency of the National Mutual Benefit of Madison.



C. L. MILLER

Mr. Miller, a Republican, was a candidate for governor of Wisconsin in 1938. He has had over 20 years' life insurance experience, mostly in Wisconsin, having been agency supervisor of Central Life of Iowa, through the A. C. Larson agency, Madison, then agency vice-president of National Guardian Life. He was with the Wisconsin agency of Continental Assurance at Madison from 1933 until he resigned to go with National Mutual Benefit. Mr. Miller is a Spanish-American war veteran.

## Talbots Address Meeting of Modern Woodmen

Nebraska Camp Bryan of Modern Woodmen held a two-day meeting and election in Omaha with 40 delegates and 150 agents attending.

A. R. Talbot, past national president, and R. H. Talbot, national director, were banquet speakers. R. H. Talbot announced a substantial increase in the business for the first four months, and increase in assets in the last four years by \$23,500,000 to a new high of \$91,500,000.

## The A. O. U. W. of North Dakota

THE PIONEER OF FRATERNAL LEGAL RESERVE SOCIETIES

Provides All Popular Forms of Life and Disability Insurance

A True Fraternal and a Mutual Life Insurance Association

Home Office—Fargo, N. D.

000. Since the organization of the society, there have been 17,332 death claims paid in Nebraska, totaling \$31,474,908 in benefits.

Officers and delegates elected were: J. O. Burger, Omaha, reelected state consul; O. A. Johnson, North Platte, secretary; delegates to national convention at Chicago June 3, A. J. Charles, Lincoln; A. A. Smith, Omaha; John Keller, Wisner; T. G. Slater, Hordville; W. E. Kelso, Kimball.

W. H. Dorrance, sheriff of Douglas county, who has been associated with the Modern Woodmen for 43 years, was a guest.

## Aid Association Is Praised

Examiners of Aid Association for Lutherans in a convention examination participated in by Wisconsin, Alabama, Nebraska, Ohio and Washington reported, "The association is in an excellent financial condition, and in recent years has made an outstanding record of growth while retaining much of its conservatism that marked its earlier years. Not only has the association grown rapidly, but it has experienced an exceptionally low mortality ratio and also a very low lapse ratio." The examination covered the period June 30, 1936 to Dec. 31, 1940.

## Sales Rally at Sheboygan

SHEBOYGAN, WIS.—The Wisconsin Fraternal Life Underwriters Association of the Aid Association for Lutherans held a sales meeting here. The committee in charge included A. H. Blankenberg, Appleton, president; E. E. Bertram, Milwaukee, secretary, and P. R. Felda, Fond du Lac.

## Benz to Address Group

The Wisconsin Federation of Aid Association for Lutherans will hold its annual meeting at Shawano, Wis., June 14. The business meeting will be in the afternoon and a banquet at night. Local branch officers and field representatives will hold a special meeting in the morning with A. O. Benz, president, as the speaker.

## Reelect Arkansas Camp Heads

LITTLE ROCK, ARK.—W. H. Cannon of this city and W. A. Looney, Rogers, were reelected state consul and state secretary, respectively, at the quadrennial state camp convention of Modern Woodmen. J. W. Griffin, El Dorado, was named delegate to the head camp meeting June 3 in Chicago. E. A. Gwinner, state manager, reviewed activities and reported consistent gains in assets have been made and \$1,257,750 of

insurance was written in Arkansas in the last four years.

## Doorschodt with Ben Hur Life

Jacques C. Doorschodt, well known San Francisco life insurance man, has been appointed special representative of the Ben Hur Life in charge of special organization activities in the San Francisco bay area. He is organizing branches in the Martinez and Vallejo areas in that territory.

Otto R. Werkmeister, Milwaukee, has been reelected to a four year term as Wisconsin director of Modern Woodmen.

# MANAGERS

## Give Public Proper Picture, Kenagy Advises Angelenos

LOS ANGELES—H. G. Kenagy, superintendent of agencies Mutual Benefit Life, addressed the Life Insurance Managers Association. He pointed out that the public, to get the proper attitude toward life insurance must get it from the life insurance man. The life man who properly imparts this attitude must be helpful to the people. The life agent has not done his full duty, Mr. Kenagy said, until the buyer of insurance has become acutely conscious of the service the life insurance man is rendering. The buyer of insurance must be brought to realize that life insurance gives him a true picture of life itself.

Vice-president V. H. Jenkins, Occidental Life, expressed thorough approval of the idea that life insurance men must be more outspoken in the defense of the business and in the cultivation of public confidence.

## Manages Life for W. H. Markham

W. H. Markham & Co. of St. Louis has appointed A. M. Tebbetts manager of the life department. The move comes

## WOODMEN OF THE WORLD

## Five Modern Legal Reserve Contracts

- Ordinary Life
- Twenty Payment Life
- Endowment at Sixty-five
- Twenty Year Endowment
- Paid Up at Sixty-five

These contracts are participating, and provide all standard non-forfeiture options.



Operating for fifty-one years in California, Oregon, Washington, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming.

Write for particulars to

PETER F. GILROY, President  
 1447 TREMONT PLACE  
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## WANTED... REPRESENTATIVES IN YOUR COMMUNITY

LUTHERAN BROTHERHOOD is licensed and operates in 26 states, the District of Columbia, and the Dominion of Canada. All standard forms of Annuities and Life Insurance Contracts, adult and juvenile, are issued. An exclusive field of prospects—Lutheran Men, Women, and Children. (Representatives must be Lutheran.)

Complete details will be sent on receipt of your letter addressed to:

SUPERINTENDENT OF AGENCIES

## LUTHERAN BROTHERHOOD

Legal Reserve Life Insurance for Lutherans

Herman L. Ekern, President  
 808 Second Avenue So., Minneapolis, Minnesota

with the decision of the company to increase the volume of life business. Mr. Tebbetts, a native of St. Louis, was for 12 years an agent of Massachusetts Mutual in St. Louis, and later managed the local office of Fidelity Mutual.

#### Limit Enrollment in Pittsburgh

Enrollment in the one-day management congress in Pittsburgh May 17 is being limited to 65. This is under the auspices of the Agencies Committee of Pittsburgh and the program is staged by the Research Bureau. The meeting will be directed by J. M. Holcombe, Jr., manager, and B. N. Woodson, director of service. Much of the cost of the day is being underwritten by the Agencies Committee and is considered as one of its regular luncheons. W. M. Milligan, Manufacturers Life, is chairman of the attendance committee.

#### Honor Retired Richmond Managers

At the April luncheon meeting of Life Agency Managers of Richmond, several former managers, now inactive, were in attendance, including Neil D. Sills, Sun Life of Canada, former president National Association of Life Underwriters; S. B. Love, Mutual Life of New York, and D. R. Midyette, Fidelity Mutual Life. All made brief talks. C. B. Richardson, retired manager for Massachusetts Mutual Life, was unable to be present on account of failing health. Flowers were sent him. G. W. Diggs, Penn Mutual Life, president of the association, was toastmaster.

#### Recruiting Talk in Cleveland

CLEVELAND—At the Cleveland Life Insurance Executives Club's meeting W. E. Zollinger, sales manager International Business Machines Corporation, spoke on "Recruiting."

## RECORDS

**Illinois Bankers Life**—Applications received in the first four months topped the same period in 1940 by 47 percent. The total was \$7,182,957, as compared to \$4,886,331. Applications in April aggregated \$2,163,917, an advance of 71 percent over April, 1940.

**State Mutual Life**—At the end of April the company had completed 15 consecutive monthly gains in paid-for business. Gain for the first four months was 11.3 percent and for April 12.77 percent.

**Bankers Life of Iowa**—New paid for business continued on an upward trend in April with a gain of 19 percent over the same month in 1940. The April total this year was \$4,736,987. The increase for the first four months was 16 percent.

**Lincoln National Life**—Insurance in force on March 31, stood at \$1,107,356,000, a gain of \$15,829,000 for the quarter. New paid business was \$39,946,000 or an increase of \$5,654,000 over the same period last year. There was a substantial gain in surplus and the mortality ratio was favorable.

**American Mutual Life**—New business in April showed an 11.2 percent gain over the corresponding month of the previous year.

New paid-for business for the first four months increased 24 percent. Much of April's gain is credited to a "spring golf contest," which is still under way. The Minnesota state agency, J. D. Ser-rill, manager, stood first in April.

**Jefferson Standard Life**—Reports new sales in April of \$5,800,000, largest new paid sales for any April. On May 1 Jefferson Standard was 23 percent ahead in new sales compared with the first four months of 1940. According to Vice-President Ralph C. Price, increase is general over the company's territory, practically all agencies showing gains.

**Michigan Life**—During April, which had been designated as Treanor month, agents honored Executive Vice-president L. J. Treanor by producing the largest

volume of business the company had enjoyed in more than four years. In the first four months production was 52.3 percent higher than during the same period last year.

**California-Western States Life**—New life production the first four months increased 215 percent over the same period last year.

**Franklin Life**—New paid business in April was 99 percent greater than in April, 1940, and 12 percent over March, 1941. This brings the increase in paid volume for the first five months over the same period of 1940 to more than \$2,500,000. April was the best April in five years.

**Home Life, N. Y.**—Paid business in April was the highest April total since 1930, being 4.4 percent over April, 1940. The year-to-date figures are 5.5 percent ahead of last year.

## Group Annuities in 1940 at New Peak

(CONTINUED FROM PAGE 1)

enough employees earning \$3,000 to qualify for a group annuity plan.

3. Amount of employees' contributions. Employees are usually required to contribute under more than 95 percent of the plans adopted, their contributions generally covering from 30 to 50 percent of the cost with respect to service after the plans are adopted. Since social security taxes apply only to the first \$3,000 of annual earnings, it is customary to have a lower rate of contributions on the first \$3,000.

4. Definite-benefit plans outnumber the money purchase plans by about three to one, both with respect to plans adopted during 1940 and in 1938. Under the money-purchase plan as large an annuity as a given contribution will buy is purchased, whereas under the definite-benefit plan the amount of income is specified.

5. Amount of pension credit for each year of service after a group annuity plan is adopted varies widely, as employers must be guided by their ability to pay as well as by the scale of benefits they desire. Pensions average less under money-purchase plans than under definite-benefit plans. Analysis of the latter type adopted during 1940 indicates that on the average the pension credited with respect to annual earnings up to \$3,000 is about .8 percent and for the excess of earnings over \$3,000 the credit averages about 1.6 percent. A number of plans have recognized the fact that the present formula for federal social security benefits favors the lower income group but the majority of plans give uniform pension credit on the first \$3,000 of earnings.

#### Past Service Recognized

6. Credit for past service. About three-quarters of the plans adopted in 1940 give some recognition to service rendered before adoption, the proportion being about the same as in the 1938 plans. While the remaining 25 percent do not contain a provision recognizing past services, it is almost certain that practically all these employers are supplementing the insured pensions of employees who had rendered long service before adoption of the plan. Of the 1940

plans that contained past-service provisions only about 25 percent recognized all the employee's past service and all of his salary as against one-third in the 1938 plans. In about half of the cases that recognized past service, service rendered before some specified age, such as 30, 35, or 40 was disregarded and in a significant number of cases the lowest portion of earnings is disregarded, such as the first \$600 of annual salary.

7. Inclusion of interest in employees' death and withdrawal benefits. There is an unending argument whether the employee's contributions should be returned without or with interest. Of the 1938 plans about 85 percent provide for including interest in the amount refunded when the employee dies or withdraws. In 1938 the percentage was 70.

8. Vesting clauses. Most plans provide that employees leaving service after meeting certain minimum requirements may receive credit for the pension that has been purchased by their own and the company's contributions. The requirements are generally aimed at limiting the vesting to employees who have rendered long service. A vesting provision assures the employee that if he remains in service long enough to meet the requirements he cannot lose the pension that has been purchased for him.

On the other hand inclusion of a vesting clause has comparatively little effect on the employer's cost because labor turnover is very low among long-service employees. A typical vesting requirement is 15 years of service if that is the basis; five years if membership is only requirement, 15 years of service and attainment of age 45 if service and age are both specified; five years of membership and attainment of age 45 where membership and age both are requirements.

The social security board is working on plans to extend coverage of its program to include the non-covered group, which constitutes one-third of the working population, John B. St. John, chief of the actuarial section of the bureau of old age and survivors benefits, told the meeting. This takes in some 20 million persons—agricultural workers, domestics, government employees, federal, state and city, non-profit employees and all self-employed. No general increase in the benefit level is contemplated, however.

This extension of coverage may require special attention and modification of rules. Also, there may be an extension given to disabled employees for long term and short term disabilities. If so, the long term cases likely will be handled by Mr. St. John's bureau and the short term administered by the state systems.

The board contemplates an accident and health program with a waiting period of one or two weeks, the insurance to be payable during the six months period before the permanent disability plan becomes effective. He added that this was being studied and that the board had sponsored no federal plan. Some states, he said, have similar plans in discussion, and were they to become laws would be administered by the states.

In closing he said that he did not feel that the government plan is entirely sufficient and whenever possible it should be supplemented by private pension plans, thus affording a higher standard of social security.

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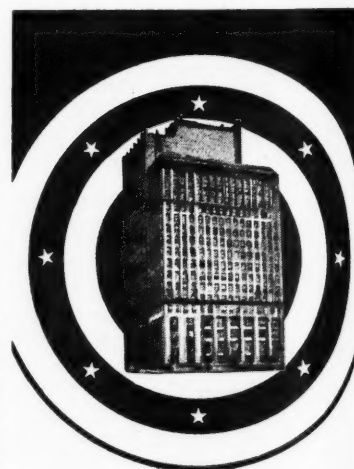
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# Sales Ideas and Suggestions

## Galaxy of Stars Stimulates Enthusiasm at Des Moines

Sparkling addresses from beginning to end and an enthusiastic capacity attendance characterized the sales congress put on by the Des Moines Association of Life Underwriters. The fine reception made it likely the congress will become an annual event. More than 500 persons attended the congress sessions and 400 the banquet and luncheon. There was not a dull moment. The congress was the first held in Des Moines in recent years and replaced the annual event previously held at Davenport.

Stars on the program included H. J. Johnson, president Institute of Life Insurance; L. S. Broadus, manager Guardian Life, Chicago; V. B. Coffin, vice-president Connecticut Mutual; Arthur A. Devine, superintendent Prudential, St. Paul; Dr. S. N. Stevens, president Grinnell college; Tom Collins, Kansas City columnist, and Carroll C. Day, Oklahoma City general agent Pacific Mutual.

### Johnson Discusses Democracy

Holgar Johnson highlighted the banquet held prior to the all-day congress, speaking on "Life Insurance as an Instrument of Democracy." He said: "Your business is tied up with American economic life as an instrument of democracy. It is the major implement which the American people use to provide for security. You help in the defense of democracy by spreading word of the benefits of life insurance. Go about your work with confidence in America; do not be pessimistic."

Seated at the speakers' table were many executives of Des Moines life companies and other notables in the business. George Pflanz, Jr., associate general agent Union Central, president Des Moines association, was toastmaster.

### Dr. Stevens Presents Views

Dr. Stevens said though selling almost exclusively has been looked upon as a technique of exploitation, the level of critical judgment of buying in this country has been raised because salesmen have educated the public.

Advertising has made the public aware of many things which will satisfy needs better than those which they now possess. As a form of selling it has given the public a new vocabulary in which to express its needs and new standards of reference by means of which to evaluate the relative good which exists among the many commodities being offered. However, despite the value of advertising, in the last analysis the salesman must be relied upon as a final and determining factor at the point of sale, he pointed out. Only a few companies have been able to build large businesses without direct selling. Even the great mail order houses have supplemented their direct-mail efforts with huge chain department stores. The man at the point of sale, as in the past, will make the difference between successful and unsuccessful merchandising.

### Salesman Completes Education

The salesman, using all of the advantages which advertising has given him, completes the education of the customer in the satisfaction of his wants. Dr. Stevens cited three ways in which the salesman serves as an educator:

1. To be successful he must know the facts about his products. These facts almost always have wide and extended ramifications. No salesman who does a good job fails to leave the customer bet-

ter informed about the product, the need and its satisfaction, an opportunity for gain and its fulfillment. Even although he does not make a sale, he has contributed in a small way at least to the education of the man who did not buy.

### New Point of Evaluation

2. The salesman has established through his contact with the customer a new focal point of evaluation and criticism which the latter will use in any subsequent sales interview. He has educated the buyer in those broad methods of social adjustment which will make selling easier or more difficult in the next sales interview. He has not changed any of the man's needs, but he may have made the customer more aware than ever of the importance of needs which heretofore had been only vaguely felt.

3. The salesman widens the customer's viewpoint. Good selling necessitates that there be a continuous interchange of points of view and ideas between the buyer and the seller. Good selling leaves the individual with more good reasons for his decision. It furnishes a basis not only for rationalizing an act but adequately justifying it.

### Strange It Is Hard to Sell

It is a strange thing that life insurance is so hard to sell as it is the one commodity which men are uniformly glad they purchased. It is a tragedy that the institution which has done more to give economic stability to this nation than any other should for the most part be so poorly understood by the public as a whole. "I know of no other commodity," Mr. Stevens commented, "which can be sold with the guarantee that a man or his heirs will get all or more than the money originally expended returned to him or his heirs."

The social functions of life insurance are manifold. The happiness it brings even to the third generation is incalculable. Its cost is based on a non-profit motive. No group of salesmen have more to sell or harder work to sell it.

### Good Teachers Successful

There is abundant evidence to support the contention that the best underwriters are those who are good teachers. They must educate men and women who are at every stage of insurance literacy. It is no accident that the most successful life underwriters are uniformly above the average in intelligence and widely educated themselves. Agents who have had the greatest continuity in the development of individual customers through the years are men who have maintained their selling as a teaching function.

"The future of many things in our economic society is blurred and uncertain, but of one thing we may be sure. If we maintain our educational ideals in our selling of insurance neither federal social security, nor state old age pension, nor any other form of social insurance will take the place of the individually bought and paid for protection which in the last analysis will still be the greatest single source of security for the men and women of this country," Dr. Stevens declared.

### Commissioner Fischer Talks

Commissioner Fischer of Iowa, who seldom makes addresses, surprised the life underwriters with remarks on their relationship with the insurance depart-

ment. He listed three requisites necessary for the insurance industry. First, the assets of a life company must be reliable. Second is good underwriting, "for no company is better than its underwriting and to keep assets good the underwriting must do it." Third, the management is closely related to assets, and without good management the assets will be worthless.

He discussed corporate ownership of land and told of the department's efforts to have insurance companies dispose of Iowa farm lands. Most companies when they understood his program were willing to cooperate. He estimated nearly 6,000 farms have been sold by the companies since he took office in February, 1939.

Commissioner Fischer also touched on war clauses saying so far the department has not permitted a sweeping war clause.

"I feel society should stand its share of the shock," he said. "I wonder, however, if Lewis can tie up coal mines for 28 days, whether maybe insurance companies should not have war clauses."

### Broadus on Prospecting

Manager Broadus of Guardian Life spoke on "Sensible Prospecting in 1941." "Study yourself and your field," he said.

Few agents know their weaknesses and strong points, and "self-management is a virtual stranger to the average underwriter," Mr. Broadus commented.

"Most underwriters use a sort of catch-as-catch-can system and they have no set time to start work in the morning but they always have a time to stop."

"Study the folks near you. Take part in civic activities. Build prestige. Live so that when people of your community want life insurance they naturally will think of you."

"Organize, definitize, supervise yourself, and properly planned prospecting will produce profitable policyholders."

Carroll Day in his talk presented five simple selling rules: Never argue. Never discuss life insurance. Always discuss life; its problems are never debatable. Get agreement on the major issues. Don't let the buyer write the rules.

"We life insurance men can spread the warm, snug blanket of protection over the great American home," he said. "We can spread the gospel of economic stability and individual security. We can lead men into an ownership that spells hope and delivers satisfaction."

Tom Collins said a man's best security is curiosity, and "if you keep on learning, you're not in a rut. Some men figuratively die at 30 but are not buried until they're 65. They keep on walking around to save burial expenses. They have lost their curiosity."

Vincent Coffin discussed "Sensible Selling in 1941" and Mr. Devine talked on "Sensible Cooperation in 1941."

All the speakers were presented in a unique style with a blare of bugles and entrance from a small enclosure at the back of the stage. Lights were darkened in the room with a spotlight on the speaker throughout his address.

"This business of investing money is no one-man affair. It involves the combined efforts of a great many people and securing of information from a great many sources. The individual, if he is going to do anything else, simply hasn't time for all the investigations necessary, to say nothing of the matter of ability and experience. After all, before he can invest, he must spend a part of the day earning something to invest. After many years of specialization in this field, frankly I would hate to have to have to go it alone."—B. J. Perry.

## Johnson Sees Life Sales as National Security Aid

America's drive to rearm is accelerating a return to individual thrift as a basic national policy, H. J. Johnson, president Institute of Life Insurance, told the Des Moines Chamber of Commerce. He said the urgency of the situation is causing the government to drive home to the American people the necessity of individual thrift as a means of helping to finance the huge defense program, to forestall inflationary tendencies and build a backing of security to cushion the inevitable shock to the economic system of the post-war period.

"Individual thrift, in addition to being the economic foundation of democracy, is absolutely necessary at this time as a means of 'clearing the tracks' for production of the essentials of defense, sidetracking the purchase and production of non-essentials that interfere with the production of vital defense material," he declared.

### Notes Destructive Philosophy

"In recent years we have seen a movement, in keeping with the world ferment, to belittle thrift. The leaders of this movement advocated a philosophy, unnatural for Americans, that our people should turn away from self-reliance."

"One of the healthiest by-products of the defense program is the recognition by the government of the need for emphasizing individual thrift, and it is a most encouraging development for the future of American democracy. Without thrift among its people, a democracy cannot long survive."

He said the people have not been dissuaded from life-time habits of thrift, but have increased their savings, especially through the medium of life insurance. They own nearly one-fifth more life insurance than five years ago. The increased personal and family security which this affords is a most important base for a high national morale in a time of greatest economic stress—quite as necessary today as ships and arms, he said.

This thrift will help to prevent spiraling of prices leading towards inflation, and will provide funds for financing national defense measures.

## Set Up Courses for Small Town Agents at Universities in Kansas and Minnesota

Giving effect to the policy established by the trustees of the National Association of Life Underwriters last fall to extend the "Purdue Plan" of life underwriter education into other state universities, Earl F. Colborn, Connecticut Mutual, Rochester, N. Y., chairman of the committee on education, announces that arrangements have been completed for the establishment of short courses this summer at the universities of Kansas and Minnesota. The courses will follow the outline of the Purdue course which is being repeated for the third successive year at Purdue University, July 14-26. This activity is of particular interest to small town agents who do not have the opportunity to attend meetings throughout the year.

Arrangements for the Kansas course were completed when a delegation headed by Herbert A. Hedges, Equitable Life of Iowa, Kansas City, national trustee, J. E. Conklin, Equitable Society, Hutchinson, Kansas, state president, Wilfrid E. Jones of the National association staff and Alden Palmer, Research & Review Service, accompanied

by association leaders from Missouri and Kansas, met with F. T. Stockton, dean of the school of business, and H. G. Ingham, director of the extension division, University of Kansas. The school will be held July 7-12.

The Minnesota school will be held Oct. 27-Nov. 1 at the University's Center for Continuation Study and will be under the supervision of J. M. Nolte, director of the center. A committee headed by Wright W. Scott, Minnesota association president; Louis Gross, chairman of the educational committee, and Wilfrid Jones met with Mr. Nolte to complete the details.

All agents located within a radius of 500 miles of the universities will be invited to attend. The schools will hold sessions and discussion classes each day and will close with a written examination. Students who complete the course satisfactorily will be presented with certificates by the universities.

Those contemplating taking the Kansas course have been requested to enroll with H. G. Ingham, director, extension division, University of Kansas, Lawrence. Those planning on the Minnesota course will register with J. M. Nolte, director Center for Continuation Study, University of Minnesota, Minneapolis.

## Life Insurance Eyes Tax Proposals

(CONTINUED FROM PAGE 1)

setting aside from \$100 to \$150 a month; the income of \$40,000 conservatively invested is approximately \$100 a month. By setting aside \$100 a month for insurance, a fund may be created which will give rise to an income of the same amount after the death of the insured, or of about \$150 per month under the annuity option.

### Pictures \$10,000 a Year Man

The amount paid for insurance plus the amount paid for current income taxes would leave the man having an income of about \$10,000 approximately \$7,500 for the support and maintenance of himself and his family. The budgeting of 25 per cent of the income for federal income taxes and the cost of insurance is about as much as the income of such taxpayer will bear and certainly the amount remaining after providing for these purposes when reduced by local taxation, interest charges, and unpredictable emergencies would leave no room for systematic saving or outside investments to provide against the eventualities of death.

One of the members of the committee called the attention of Mr. Baker to a proposal pending before the committee that a tax be imposed on insurance premiums which it was estimated by the treasury department would yield approximately \$45,000,000 a year. Mr. Baker explained that he was not authorized to speak for the association but that in his personal opinion any additional burden imposed upon the cost of insurance must necessarily be reflected in the cost to the policyholder of the protection needed by his dependents to replace loss of earning power. Furthermore, the tax would discourage the purchase of insurance not only by the person facing higher income tax rates but by the person having little income subject to tax. The imposition of such a levy would not sufficiently take account of ability to pay. It would be wiser to obtain the additional revenue from tax on income but leave both the person having income and the person possessing little income an opportunity to protect against the eventualities of death at the lowest possible cost.

The suggested amendment to Section 811 (g) is:

"To the extent of the amount receivable by the executor as insurance upon the life of the decedent; and to the extent of the excess over \$40,000 of the amount receivable by all other beneficiaries, except insurance of which the

decedent possessed at the time of his death none of the legal incidents of ownership, it being deemed immaterial whether or not the decedent applied for the insurance or paid the premiums, or whether the decedent had a reversionary interest in the policy subject to being changed by the owner thereof."

Declaring that he was not speaking for life insurance companies, but only on behalf of assured who want to pay federal estate taxes out of the proceeds of such policies, Clinton Davidson, representing Fiduciary Counsel, Inc., pleaded before the ways & means committee for an amendment to the federal estate tax law which would facilitate that purpose.

The amendment, which has been sponsored upon several occasions by the N. A. L. U., would exempt from the federal estate tax the proceeds of policies made payable to the treasurer of the United States, to the extent that such insurance is used for the payment of estate or inheritance taxes levied by the United States.

### Forces Wall Street Control

Mr. Davidson argued that the present law, taxing the proceeds of such policies, discourages individual proprietorships and forces Wall Street control of the assets of closely held corporations.

"Individual proprietorship built this country," said Mr. Davidson. "That proprietorship must survive if the nation is to continue on a firm foundation. The man who has built up a sound business for himself should have the opportunity of protecting that business against injury or loss when he is gone."

"Life insurance indemnity will be the best method when the law is changed so that carrying insurance will not double the tax as is true in so many cases at present."

"Death duties, under the present law, have the initial effect of transferring capital from productive to non-productive pursuits, from private to government enterprise, from active to dormant employment, not only at death of the owner but often in anticipation of death. During the lifetime of persons facing heavy death duties, and especially in the case of relatively small businesses, a very substantial part of their assets is often transferred from active employment and put in 'cold storage' by investment in low yield bonds. This results in loss of income tax to the government and often causes weakening and even paralysis of what otherwise would continue to be strong and active business units in our economic structure."

"Essentially, the purpose of the proposed amendment is to answer the problem of forced liquidation and thus to end the unintentional discrimination which now exists against every taxpayer whose estate is invested in fixed assets, e. g., real estate, farm lands, a going business."

"An estate which includes enough cash, government bonds, savings accounts, etc., to discharge the tax liability, makes

payment and that is an end of the matter. But in the case of an estate not so fortunately situated there is nothing to do but put its assets on the auction block, which means that they will be disposed of in a buyer's market."

"Who benefits? Bargain hunters with ready cash and those who participate with them in profits from the disasters of others. Everybody else, including the government, loses."

### Premium on Liquidity

"Existing law, therefore, puts a premium on liquidity. Estates and small businesses, without sufficient liquid assets are unintentionally punished. In effect, they pay a double tax, but the loss they suffer from sacrifice of assets does not go into the treasury—it flows into the pockets of monopolies and speculators. The estate tax has unintentionally been a means that has helped the rich and powerful to become richer and more powerful."

Mr. Davidson said the treasury will collect larger estate tax because the capital stock will be valued as a going concern; it will be valued on the basis of continuing the old, successful management, instead of the amount realized at a forced sale. By making it possible to continue the business under old, proven management, it will continue to produce revenue for the treasury such as its own corporation tax and income tax on the earnings of its officers and employees. "Why kill the hens that are laying the golden eggs?" he asked.

### WANTS LIFE INSURANCE EXEMPTED

Godfrey N. Nelson, in referring to the new tax proposals of the treasury department, in an article in the New York

"Times" enters objection to the scheme to place an excise tax on life insurance. He feels that life insurance should be exempted from the proposed insurance tax. "In England," he writes, "life insurance premiums, instead of being taxed, have been deductible from gross income for income tax purposes. In times of stress, like the present, the protection of the family should be encouraged, not discouraged by taxation. Such a tax would appear to be contrary to our national social security policy."

## PROPERTY MANAGEMENT DIRECTORY

• The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

### ALABAMA

## ENGEL REALTY COMPANY

Realtors & Insurers

MANAGEMENT SALES  
LEASES APPRAISALS  
BIRMINGHAM, ALABAMA

### INDIANA

## Property Management

Leases Sales Loans  
Appraisals—Insurance

W. A. BRENNAN INC.  
INDIANAPOLIS

## Klein & Kuhn

Guaranty Building  
Indianapolis

SALES APPRAISALS  
LEASES  
Property Management

### MICHIGAN

EQUITABLE TRUST COMPANY  
600 GRISWOLD STREET DETROIT, MICHIGAN

Property Management  
Appraisals  
Mortgage Loans  
Sales  
Trusts Estates

### OHIO

THE  
HOWELL-VIGGERS  
CORPORATION

Certified Property Managers  
Appraisals Sales  
Second National Bldg.  
Akron, Ohio

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"Home of Landon Abstracts"

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### OHIO



### OKLAHOMA

## AMERICAN FIRST TRUST CO.

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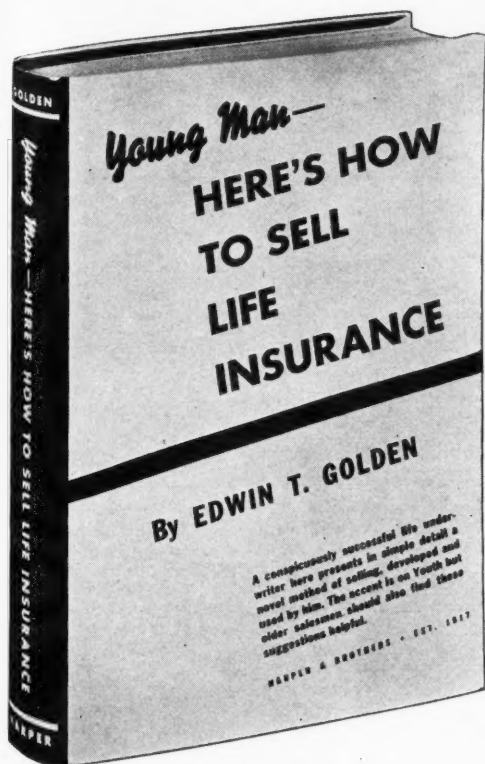
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  - An Organized Presentation for Getting Prospects Cold Canvass
  - Having a Main Track on Which to Make Your Approach
- XIII. FINAL SUGGESTIONS

## A Brand New Master's Plan— for Increasing the Business of Young Underwriters!

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Without funds or contacts, Mr. Edwin T. Golden, now only thirty years old, entered the insurance business directly from college in 1932. By the use of a novel selling method developed by himself, he won conspicuous recognition each year and for the twelve months of 1940 placed second from the top in volume of new, paid-for business among the entire New York Life Insurance Company's force of over seven thousand men in the United States and Canada. He is a member of the Million Dollar Round Table of the National Association of Life Underwriters.

### Tells How He Does It!

Mr. Golden's new book sets forth these novel methods in complete detail for the first time. Here is really a master plan around which the newcomer to this field can organize his work from the keeping of personal records through every fundamental step to delivery of the policy and a sure-fire system of getting prospects.

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General agents, managers and training or recruiting officers in all life insurance companies will find this book an invaluable aid to making quicker and bigger producers of new men. The author's outstanding record together with his enumeration of the many factors definitely in the young man's favor, should do much to attract career-seeking young men who have thought that life underwriting offered better opportunities to older men.

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Architect's drawing of projected four-story home office building of Columbus Mutual Life at the southeast corner of Broad and Sixth streets, Columbus, O. Work will soon be started on this structure.



President A. R. Wilson of the Amicable Life is shown at his desk. During the 21 years he has served as chief executive, the Amicable has grown from 9,519 policyholders and \$15,902,818 insurance in force to 60,233 policyholders with \$88,027,423 in force. Mr. Wilson started as secretary when the Amicable was organized 31 years ago. He is an actuary of note.



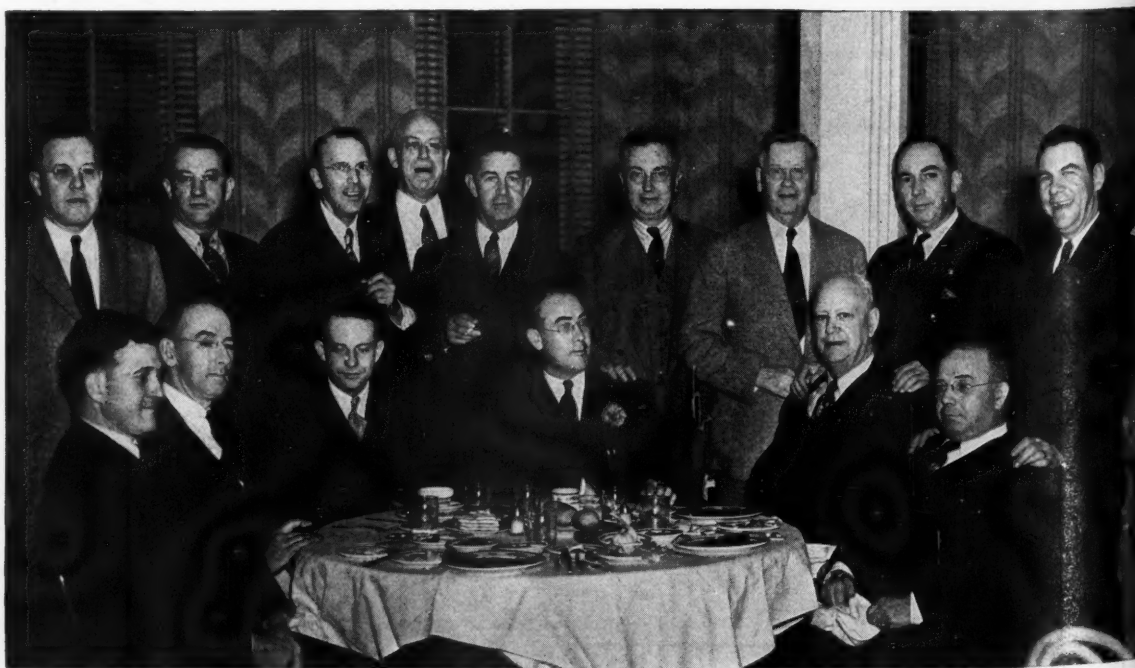
Adam Rosenthal, new St. Louis manager Acacia Mutual, was honored at a luncheon by the directors of the Life Underwriters Association of St. Louis, of which he is a past president, and the St. Louis General Agents & Managers Association. Mr. Rosenthal (left) is standing with James G. Callahan, Metropolitan Life manager, who is presenting him with a scroll. Seated from left to right are: W. S. Van Sickler, State Mutual Life, president managers group; J. C. Greene; F. M. See, New England Mutual; W. J. Cusick; G. L. Dyer, Jr., Columbian National; L. S. Becker, Lincoln National; and Wellborn Estes, Aetna Life, president St. Louis association.



Miss Helen C. Dwyer (left), Peoria, executive secretary Illinois Association of Life Underwriters, and Miss Joy M. Luidens, executive secretary of the Chicago Association of Life Underwriters.



Paul Jones (left), Illinois insurance director, and L. M. Buckley, New England Mutual, Chicago, at the sales congress of the Chicago Association of Life Underwriters.



Midland Mutual Life's Indiana agency in charge of J. R. Mayfield, Indianapolis, held its annual meeting at French Lick Springs. Standing, Left to Right: R. S. Moore, assistant manager of agencies; J. A. Freudenstein, E. J. Mason, J. A. Hawkins, vice-president and manager of agencies; H. D. Monroe, Dr. A. R. Stone, medical director; G. W. Steinman, president. G. A. Bowen, T. G. DeLay. Seated: C. J. Peoples, H. C. Hiatt, I. E. Freudenstein, Mr. Mayfield, H. L. Brown, B. R. Abernathy.